

### STATE OF WASHINGTON

### PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm 403, PO Box 40908 • Olympia, Washington 98504-0908 • (206) 753-1111 • FAX: (206) 753-1112

February 15, 1996

Robert F. Bauer Perkins Coie 607 Fourteenth Street, NW Washington, DC 20005-2011

Re: Prog

Program for Soliciting Contributions for the Benefit of a Particular Candidate

Dear Mr. Bauer:

Thank you for your letter of January 24, 1995, in which you requested an opinion regarding whether chapter 42.17 RCW permits EMILY's List to engage in the contribution solicitation program it typically employs in federal and state elections.

You noted that EMILY's List distributes a presentation concerning various women candidates it endorses, encouraging recipients to make contributions to all or some of the candidates and return the contributions by check to EMILY's List in envelopes provided for that purpose. EMILY's List then forwards the contributions to those candidates. This practice is commonly know in the political arena as "bundling."

According to RCW 42.17.730(1), "[A] person, other than an individual, may not be an intermediary or an agent for a contribution." Further, in 42.17.020(25)(a), "intermediary" is defined as "an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family . . . or an association to which the individual belongs."

The Commission has interpreted these sections of law as meaning that only individuals acting on their own behalf may bundle contributions. Entities, including businesses, unions, organizations and political committees, are prohibited from collecting contributions from different contributors and forwarding the donations to the designated recipient(s).

Your letter specifically references the earmarking section of law, 42.17.670. You submit that this statute suggests that an earmarked contribution may be "made" through a conduit or intermediary to a candidate, but the 1994 instruction manual for political committees maintains that earmarked contributions may not simply be passed along to the benefitting candidate, they must be spent, for the most part, for the benefit of the intended recipient.

RCW 42.17.670 says, in effect, that contributions are attributable to their original sources, whether the donations go directly to candidates or other recipients, or they are "... earmarked or otherwise directed through an intermediary or conduit to the candidate . . ."

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"The public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private."

Robert F. Bauer February 15, 1996 Page 2

Absent the prohibition in section .730, I agree section .670 might be read as suggesting that a political committee which receives a contribution earmarked for a candidate could pass that contribution along to the candidate. However, the wording of section .730 is unambiguous: only individuals may be intermediaries for contributions.

Section .670 references both "intermediaries" and "conduits." As noted, intermediary is defined in statute. In July of 1993, the Commission adopted a rule defining conduit.

According to WAC 390-17-015(1), "conduit" means "a person, other than an individual, who receives <u>and spends</u> earmarked contributions on behalf of a designated candidate, bona fide political party, caucus of the state legislature or other political committee." Further, subsection (2) says that "[P]ursuant to RCW 42.17.730, a conduit may <u>not</u> make or transmit contributions on behalf of another." (Emphasis added)

In Washington state, conduits have traditionally been political parties. The parties receive contributions that are attributed to the original sources and counted against those persons' limits to the candidate. These contributions are most often spent on mailings or other political advertising benefiting the designated candidates. [Since not every dollar of the earmarked funds received by a party may be needed for a mailing, according to WAC 390-16-240(3), the remainder is to be passed through to the candidate by the party unless the remainder is redesignated to another recipient by the original contributor. The notation in the instruction manual that earmarked funds must be spent "for the most part" by the conduit recognizes the restriction in 390-17-015(2) as well as the directive in 390-15-240(3).]

Please note that EMILY's List could also function as a conduit for contributions and undertake spending activity similar to that engaged in by the political parties.

The result of WAC 390-17-015 is that sections .670 and .730 are being read together and interpreted in such a manner that compatible meaning is given to each. That is, conduits may engage in activity benefiting candidates that does not violate the provisions of section .730. Further, according to section .730, only individuals may act as intermediaries or agents for contributions.

In summary, while EMILY's List may not collect contributions intended for Washington state candidates and forward the donations to the candidates, it could receive earmarked contributions and spend the contributions in a manner that benefits the candidates supported. It could also ask persons it solicits on behalf of candidates to mail their contributions directly to the candidates.

Please contact me if I can be of further assistance.

Sincerely.

Vicki L. Rippie, Assistant Director

Public Information and Policy Development

**Enclosures:** 

RCW 42.17.670 and .730

WAC 390-17-015 WAC 390-16-240

### PERKINS COIE

A Law Partnership Including Professional Corporations 607 Fourteenth Street, N.W. Washington, D.C. 20005-2011 Telephone: (202) 628-6600 · Facsimile: (202) 434-1690

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ROBERT F. BAUER (202) 434-1602 January 24, 1996

Public Disclosure Commission

Ms. Vicki Rippie
Assistant Director of Policy & Development
Public Disclosure Commission
711 Capitol Way, Room 403
P.O. Box 40908
Olympia, WA 98504-0908

Re: Program for Soliciting Contributions for the Benefit

of a Particular Candidate

Dear Ms. Rippie:

EMILY's List, a political committee active in both federal and state elections, is filing this request for an opinion addressing the application of the "earmarking" provision of the Washington State law to certain of its programs for the solicitation of contributions for specified candidates. EMILY's List conducts these programs to encourage the support of women candidates for federal, state and local office throughout the country.

The program is conducted through the mail and involves a presentation by letter and related materials of various women candidates for public office supported by EMILY's List. Generally, the presentation discusses the qualifications of several candidates, all of whom have the endorsement of EMILY's List. The reader is encouraged to make contributions to all or some of the candidates, and to return those contributions by check to EMILY's List in envelopes provided for that purpose. EMILY's List in turn forwards the contributions to those candidates. We have enclosed a sample of the type of mailing the Committee has used to solicit contributions on behalf of women candidates at the federal level.

EXHIBIT 1
Page 3 of 4

Ms. Vicki Rippie January 24, 1996 Page 2

The EMILY's List program satisfies the requirements of federal law as it affects the conduct of this program for the benefit of federal candidates. The federal requirements appear in many respects similar to those applicable to "earmarked" contributions under Washington law. Yet, the Commission appears to have added the restriction, reflected in its Campaign Disclosure Instructions, that "[E]armarked contributions may not simply be passed along to the benefiting candidate . . . they must be spent -- at least for the most part -- for the benefit of the intended recipient." Political Committees (Except Bona Fide Political Party & Legislative Caucus Committees) 1994 Campaign Disclosure Instructions, page 9. The statute suggests in somewhat different terms that an earmarked contribution may be "made" through a conduit or intermediary to a candidate, but does not state in clear terms how many such contributions, or how much of such a contribution, may be so directly made or passed on. Wash. Rev. Code § 42.17.670 (1994).

The EMILY's List program on the federal level and in various states relies on the reimbursement by the candidates of the costs of mailings, and their direct receipt of the "earmarked" contributions made out for their benefit by donors. As the Committee would like to consider the implementation of this program in Washington State, for the benefit of women candidates in that state, it requires guidance from the Commission on the scope of any requirement that earmarked contributions must "for the most part" be spent directly for the candidate, and not only passed on to the candidate for her own campaign spending.

We would appreciate your consideration of this request.

Very truly yours,

Robert F. Bauer

RFB:rfb

**Enclosure** 



### PUBLIC DISCLOSURE COMMISSION



### Serving the Citizens of Washington State since 1973

### **Detailed Expenditures**

The following data may be 'downloaded' to your computer by 'Copying' it, then 'Pasting' it into an Excel spreadsheet

NDIDATE/COMMITTEE	VENDOR	DATE	AMOUNT	DESCRIPTION
EGOIRE CHRISTINE O	EMILY'S LIST	10/21/2003	\$10,895.57	MAILING EXPENSES
EGOIRE CHRISTINE O	EMILY'S LIST	08/11/2003	\$8,100.00	FUNDRAISING MAILING
EGOIRE CHRISTINE O	EMILY'S LIST	08/24/2003	\$2,625.00	POSTAGE FOR MAILING
EGOIRE CHRISTINE O	EMILY'S LIST	11/23/2003	\$600.00	FUNDRAISING
EGOIRE CHRISTINE O	EMILY'S LIST	10/17/2003	\$268.50	FUNDRAISING MAILING
EGOIRE CHRISTINE O	EMILY'S LIST	10/17/2003	\$108.04	DONATION WEB SITE LINK
al Expenditures for this repo	ort: \$22,597.11			

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**RECOMMENDED CANDIDATES** 

MEWSROOM

RECOMMENDED CANDIDATES

Featured Candidates

SEND THIS TO A FRIEND



Help change the face of power and contribute to EMILY's List candidates featured candidates. Simply select the Candidates you would like to support a form below. Click on the Submit My Contributions button when complete.

To view the full list of Recommended Candidates, click here.

### **Candidate Information**

To view the full list of Recommended Candidates, click here.



Nancy Farmer, Missouri

Running for U.S. Senate, Missouri Summary Profile

Contribution Amount: | Please Select | or \$

Paid for by Friends of Nancy Farmer



Betty Castor, Florida

Running for U.S. Senate, Florida Summary Profile

Contribution Amount: Please Select or \$

Paid for by Friends of Betty Castor

Darlene Hooley, Oregon

U.S. House - 5th Congressional District, Oregon Summary Profile

Contribution Amount: Please Select or \$



### Paid for by Friends of Darlene Hooley



Denise Majette, Georgia

U.S. House - 4th Congressional District, Georgia Summary Profile

Contribution Amount: Please Select or \$

Paid for by Friends of Denise Majette



Lisa Quigley, California

U.S. House of Representatives, California **Summary Profile** 

Contribution Amount: Rease Select or \$

Paid for by Lisa Quigley for Congress.



Christine Gregoire, Washington

Running for Governor, Washington Summary Profile

To comply with state campaign finance regulations, we are not accepting co the Internet or phone. Please contact EMILY's List at 202-326-1400 with an

Paid for by People for Christine Gregoire, Governor, P.O. Box 2114, Olymi



### **EMILY's List Opportunity Fund**

Summary Profile

Contribution Amount: Please Selection or \$

Paid for by EMILY's List, www.emilyslist.org, and not authorized by any car committee.

**From:** Ellen Malcolm [mailto:information@emilyslist.org]

Sent: Thursday, December 04, 2003 11:41 AM

To:

**Subject:** Gregoire faces urgent deadline

www.emilysiist.org



### Gregoire faces urgent deadline

Attorney General Christine Gregoire only has nine days left this year to raise money for her bid for governor of Washington state, and she needs all the help she can get! As a state official, she is prohibited from raising money for her campaign during the legislative session and for 30 days before and after. That means that starting December 13, Gregoire will be unable to raise or accept funds until April, May or even longer, while her primary opponents, who do not hold state office, are free to build their war chests.

Republicans, who control the Washington State Senate, have not elected a governor since 1980 and are eager to take over. Anti-choice State Senator Dino Rossi, the likely GOP nominee, is even considering resigning from the legislature so he won't be hindered by the fundraising freeze, a move that would give him a distinct advantage. With national Republicans backing Rossi in a race expected to cost over \$5 million, Gregoire needs your support today to build a strong campaign.

Washington is a key battleground state where Republicans will spend heavily in the presidential, U.S. Senate, and gubernatorial campaigns. As the strongest Democratic candidate running for governor, Gregore needs our immediate support before midnight December 12, so she can win the nomination, help mobilize women voters in November, and smother Republican hopes of Washington State domination. Please give to Gregoire today!

Warmest regards,

### Ellen R. Malcolm

President To comply with state campaign finance regulations, contributions to Christine Gregoire must be completed on her web site. Please note that by completing your contribution on Christine Gregoire's web site you will only be charged once for your contribution.

Paid for by People for Christine Gregoire, Governor, P.O. Box 2114, Olympia, WA 98507.

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The state of the s

From: Ellen Malcolm [information@emilyslist.org]

Sent: Thursday, November 06, 2003 12:28 PM

To:

Subject: EMILY's List Candidates Add Anti-Bush Sizzle

www.emilysiist.org



### EMILY's List Recommended Candidates

EMILY's List is backing strong pro-choice Democratic women candidates who can win critical elections for the House, the Senate, and governorships ... and help mobilize women voters in key states who will kick George W. Bush out of the White House! The Bush White House is taking a special interest in the following races and these exciting candidates need your support right now to build strong campaigns:

- Attorney General Christine Gregoire of Washington State is an outstanding candidate for governor. But Washington law prohibits state officials from raising money when the legislature is in session and for 30 days before and after - a disadvantage Gregoire's primary opponents don't have. Because she's only able to fundraise until December 12th, Christine Gregoire needs our immediate telp now to build an unbeatable campaign in this crucial state.
- Nancy Farmer Treasurer of Missouri, is running to oust Republican Sen. Kit Bond, a hard-tight
  conservative who voted with Bush 98 percent of the time in the last Congress. Farmer has helped
  keep Missouri financially solvent in spite of the disastrous Bush-Bond economic agenda, developing
  innovative policies to generate revenue and ease the budget crunch. Bush recently headlined a \$1
  million fundraiser for Bond in St. Louis Bush's first this year for a candidate other than himself.
  Nancy Farmer will need our immediate help to build her campaign's momentum and amass a
  campaign fund of \$10 million to win in this important battleground state.
- State Sen. Vi Simpson of Indiana is running for governor, facing George W. Bush's hand-picked candidate, former Budget Director Mitch Daniels. While federal deficits skyrocketed under Daniels, Vi Simpson helped craft a budget that addressed the state's deficit while preserving funding for schools, health care, and other vital services as chair of the state budget committee. Simpson needs our immediate help to defeat Bush's candidate and hold this governorship for the Democrats.

Christine Gregoire, Nancy Farmer, Vi Simpson, and all of our pro-choice Democratic women cand dates need your support to win. EMILY's List members can make George W. Bush a one-term president by supporting the pro-choice Democratic women candidates who'll electrify women voters and bring them to the polls in unprecedented numbers in critical battleground states. But, these courageous candidates heed your contributions today. Please help them make their campaigns a success!

Warmest regards,

Ellen R. Malcolm President

Paid for by People for Christine Gregoire, Governor, P.O. Box 2114, Olympia, WA 98507, Nancy Farmer for U.S. Senate, and Vi Simpson for Indiana Committee.

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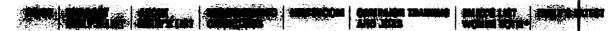
From: Ellen Malcolm [information@emilyslist.org]

Sent: Thursday, October 09, 2003 2:10 PM

To:

Subject: Candidates need your support

www.emilysiist.org



### Candidates need your support

George W. Bush hopes to entrench right-wing power in American government by making sure Republicans win the House seat in Pennsylvania's 13th Congressional District and the governorship of Washington state. But EMILY's List is backing two strong candidates for these seats - two candidates who can mobilize women voters to shatter Bush's dreams and help make him a one-term president!

State Senator Allyson Schwartz of Pennsylvania is running for the open House seat in the 13th Congressional District, a swing district currently held by Democrats in a presidential battleground state. Republicans would love to get their hands on it. The potential Republican field includes an anti-choice former congressman and the 2002 GOP nominee, a physician who can sink substantial personal wealth into the campaign. But before going head to head with the GOP nominee, Schwartz must first win what promises to be an expensive Democratic primary. Her closest primary competitor is Joseph Torsella, a known fundraiser who raised over \$400,000 in the first 27 days of his candidacy. Pennsylvania's 13th district is a rare open seat, and a great opportunity to add a new pro-choice Democratic woman to Congress, so please support Schwartz today!

Attorney General Christine Gregoire is a defender of reproductive freedom, the leading negotiater for the national tobacco settlement, and the frontrunner for the governorship of Washington. Gregoire is the best candidate to foil Bush's plan of replacing Washington's retiring Democratic governor with a right-wing Republican who'll also try to deliver Washington's electoral votes for Bush.

But Washington's campaign financing law puts Gregoire at a great disadvantage; as a state official, she is barred from raising money when the legislature is in session and for 30 days before and after. Since her primary opponents do not hold state office, this law does not apply to them. Gregoire needs our immediate support to build up her treasury and discourage other potential Democratic candidates from running. We can't afford to delay - support Gregoire today!

Schwartz and Gregoire are running in races where the Bush White House is taking a special interest, and these two outstanding pro-choice Democratic women candidates need your support right now to build strong campaigns. I hope you will consider making generous contributions to these great candidates. Your contribution today will help to shatter Bush's political dreams!

Warmest regards,

Ellen Malcolm President

Paid for by Allyson Schwartz for Congress and People for Christine Gregoire, Governor, P.O. Box 2114, Olympia, WA 98507.

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From: Ellen Malcolm [information@emilyslist.org]
Sent: Wednesday, September 03, 2003 4:45 PM

To:

Subject: Republican Power Grab

www.emilyslist.org



### Republican Power Grab

Bush and his henchman, Karl Rove, want to orchestrate a complete Republican takeover. But they're in for a big Democratic women candidates are standing up to the Bush agenda and facing down tough opponents.

Our newest slate of candidates features courageous women leaders running for the U.S. House, U.S. Senate, an whose campaigns will mobilize women voters and make George W. Bush a one-term president.

In the spotlight is State Sen. Allyson Schwartz, a Democratic frontrunner for Pennsylvania's open 13th congress district. Republicans hope to pick up an additional House seat in Pennsylvania and will spend heavily to bring this under GOP control. Allyson Schwartz has staunchly defended abortion rights, championed education, and fought children of working families. In a presidential battleground state like Pennsylvania, every Democration who mobilizes voters dims Bush's chances of re-election. Schwartz will be a tremendous addition to the U.S. House of Represeishe can mobilize women voters who will vote to defeat George W. Bush and elect Democrats up and down the time must seize this rare opportunity to add a new woman to Congress and keep this open seat in Democratic hands. support Schwartz now.

Karl Rove, eager to increase the GOP margin in the Senate, has been recruiting opponents to Sers. Patty Murra Barbara Boxer. Rove and Bush will make sure Republicans pour money to defeat them. Our recommended can governor, Christine Gregoire (Wash.), Vi Simpson (Ind.), and Gov. Ruth Ann Minner (Del.), are proven leader tough fiscal decisions when challenged by the economic crises brought on by Bush's disastrous economic policie to stand by all of these women candidates as they face tough GOP opponents.

Time and time again, EMILY's List has proven that early support for Democratic women candidates makes a decidifference. Our candidates need our support now if they are to win in November of 2004 and help restore Democ to our government. Your contribution to these campaigns can give these women early momentum that no amoun Republican spending can overcome. Please don't let these opportunities pass you by. Contribute today!

Warmest regards,

Ellen R. Malcolm President

Paid for by Allyson Schwartz for Congress, People for Patty Murray U.S. Senate Campaign, Friends of Barbara People for Christine Gregoire, Governor, P.O. Box 2114, Olympia, WA 98507, The Minner Campaign, and Vi Sir Indiana Committee.

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EXHIBIT3.
Page \_1\_of.36

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### EMILY's List

1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

1931/1400 202.325.1400 202.325.1415 202.325.1415 Www.emilyslist.org

September 5, 2003

Ms. Suzie Q. Sample 123 Any Street Anytown, US 12345-6789

Dear Ms. Sample:

George W. Bush and his henchman, Karl Rove, have a plan for 2004.

They plan to spread radical right-wing domination through the federal and state governments like a virus.

Bush thinks the momentum of his re-election campaign will elect Republican Senators, Republican governors, Republican Members of Congress, and Republican state legislators, putting most of American government in the grip of his conservative, right-wing Republican ideology.

Here's the EMILY's List answer to Bush's right-wing strategy:

Energize women voters by running powerful and exciting pro-choice Democratic women candidates

We must make sure that enough pro-choice Democratic women are running -- and enough women are coming to the polls to vote -- to stop George W. Bush's plan dead in its tracks.

I'm about to describe six pro-choice Democratic women candidates who need your help now so they can win important victories and also bring unprecedented numbers of women voters to the polls in 2004. These Democratic women candidates for the Senate, the House, and governorships are outstanding leaders that Congress and their states urgently need.

These campaigns will excite and mobilize the women voters who'll make George W

Bush a one-term president

I urge you to support these courageous Democratic women candidates for the Senate, the House, and governorships. Your contribution of \$100, \$250, \$500 or more to these campaigns can give them early momentum that no amount of Republican spending can overcome. And it's crucial that we give these Democratic women candidates early support now!

George W. Bush has made California Sen. Barbara Boxer a prime target of his strategy. He'd like to tear the soul out of pro-choice, liberal Democrats by defeating this woman who has so successfully crusaded against the right-wing ideology that Bush represents. Barbara Boxer has

(over, please)

EXHIBIT 36

**GFG** 000039

been a leader in the Senate opposition against Bush's attempt to pack the courts with right-wingers who would revoke a woman's right to choose. Boxer is a key defender of international family planning, which Bush gutted with his infamous "gag" rule cutting off funds to family planning agencies that even speak about abortion. And Bush is still stinging from the defeat Barbara Boxer handed him when she organized the Senate fight against drilling in the pristine Arctic National Wildlife Refuge.

California is in extraordinary political turmoil because of the effort to recal Democratic Governor Gray Davis. Bush and Rove would love to take advantage of this turmoil to defeat Boxer, so they are looking for a powerhouse to run against her. Former Gov. Pete Wilson is one Republican who could raise vast sums for an anti-Boxer campaign, and Bush's own Treasury Secretary, Rosario Marin, has resigned, returned to California, and announced that she is a candidate for the Senate So Barbara Boxer needs our immediate help to build an early campaign fund that will stave off even the most heavily-funded challenger.

Bush has already picked a candidate to challenge Sen. Patry Murray of Washington.
Reportedly, it took months of persuasion and the pledge of millions of dollars in support for Bush to convince Rep. George Nethercuit to give up his House seat to take on Sen. Murray. Nethercuit is a right-wing idol: he defeated House Speaker Tom Foley in 1994.

Patty Murray is a thorn in Bush's side. She pushed an amendment through the Senate to take \$2 billion from Bush's tax cut and use it to fund the "No Child Left Behind" education initiative (that's Bush's campaign pledge to education, which he short changed after he was elected). She has been an eloquent voice against Bush's policy preventing women in the military from obtaining an abortion overseas, even if they pay for it themselves. She has fought to protect welfare benefits for victims of domestic violence, to make child care more accessible, to extend unemployment benefits, to hire 100,000 new public school teachers, and to make health care more available for the uninsured. All these priorities conflict with Bush's drive to destroy the social safety net, and he desperately wants to replace her with George Nethercutt, a reliable rubber stamp for Bush's right-wing agenda.

Attorney General Christine Gregoire of Washington is a serious impediment to Bush's plan. Bush wants to replace Washington's retiring Democratic governor with a right-wing Republican who'll also deliver Washington's electoral votes for Bush. Christine Gregoire is the one Democratic candidate who can derail that plan.

Christine Gregoire is a defender of reproductive freedom: she issued a crucial ruling that birth control pills and other prescription contraceptives cannot be excluded from insurance plans because of an employer's religious objections. She was one of the two lend attorneys general negotiating the national tobacco settlement. And before becoming Attorney General, she represented her state in negotiating the cleanup and permanent storage of radioactive wastes at the Hanford Nuclear Reservation — the world's largest environmental cleanup!

Christine Gregoire is the strongest Democrat in the field of declared and potential Democratic contenders for the governorship. Your contribution right now can give her such a clear advantage that she can concentrate on defeating the well-funded Republican nominee. With both Christine Gregoire and Patry Murray electrifying and mobilizing women voters, Washington State will tilt against George W. Bush, and this crucial state will go Democratic all the way.

How important are Democratic women governors? Just ask the citizens of Delaware, where Gov. Ruth Ann Minner has led her state through critical fiscal difficulties while maintaining

essential services for women and families, and for Delaware's needlest citizens. USA Today honored Delaware as one of the top three states in fiscal stewardship. Gov. Minner has had to make tough decisions -- but she has kept her focus solidly on education, so that Delaware's children won't pay a lifelong price for the economic crisis caused by Bush's disastrous economic policies.

Republicans are eager to regain this governorship, despite Ruth Ann Minner's exemplary leadership. Her willingness to take on tough issues like discrimination on the basis of sexual orientation makes her a powerful enemy of the right-wing agenda. Two well-funded Republicans have filed to challenge her, and Ruth Ann Minner needs your immediate help to raise the \$2 million campaign fund that will enable her to keep leading the people of her state and setting an example for governors across the nation.

Governorships are so important that George W. Bush has dispatched one of his favorite enforcers to prevent State Sen. Vi Simpson from winning the governorship of Indiana. Bush's plan has been called a "hostile takeover" of Indiana: he's sending his own budget director, Mitch Daniels, to run for governor. Daniels, whom Bush nicknamed "the blade," presumably for his zeal of budget cutting, but it could have been for his own cutting comments. For example when New York tried to collect the emergency aid Bush promised after 9/11, Daniels called their efforts "a little money-grubbing game."

From her post as chair of the state Budget Committee, Vi Simpson has steered Indiana through tough fiscal decisions. Her guidance has managed the deficit while keeping funding for essential services and education intact. Indiana voters will rally to elect Vi Simpson if EMILY's List members help her present her record to the voters. She has fought for laws to strengthen child support collection, to help victims of domestic violence, to fund public education, and to clean up the environment. Vi Simpson can stop the Bush strategy in her state, if you give her the support she needs to build a strong campaign fund right now!

Pennsylvania is a presidential battleground state where Bush and Rove hope to pick up an additional House seat -- but State Sen. Allyson Schwartz is standing square in their way. She's running in the open 13th congressional district, a swing district. In the Pennsylvania Senate, she has staunchly defended abortion rights and gone head-to-head with anti-choice groups over her bill to fund family planning. Schwartz is an expert on education and a fighter for public schools. She led negotiations to develop Pennsylvania's Children's Health Insurance Program making private health insurance available to children of working families.

In a presidential battleground state like Pennsylvania, every Democrat who mobilizes women voters dims Bush's chances of re-election. Allyson Schwartz will be a stunning addition to the U.S. House of Representatives, and she can mobilize women voters who will vote to throw George W. Bush out of the White House.

Time and time again, EMILY's List has proven that early support for Democratic women candidates makes a decisive difference. These candidates need our support now if they are to win in November of 2004, and make George W. Bush a one-term president.

I urge you to send a generous contribution to the first two candidates listed on your reply form. (To spread our support among the candidates, they are listed in a different order on other members' forms.)

Of course, whom you support is always your choice, and yours alone.

EXHIBIT 3
Page 13 of 36

(over, please)

America simply cannot afford the disaster of a second Bush term. Over three million jobs have already been lost, and many working people have seen their retirement savings virtually vanish in the Bush recession.

America's neediest families cannot afford the slashed services under Bush's "reform" of welfare and Medicaid. And America's children cannot afford the neglect and the budget cuts that Bush inflicts on education. He even opposed full funding for his own "No Child Left Behind" initiative, a central theme of his first presidential campaign.

EMILY's List members can make George W. Bush a one-term president by supporting the pro-choice Democratic women who will electrify women voters and bring them to the polls in unprecedented numbers.

But we must act now. These courageous candidates need early support -- your contributions are needed today. Please don't let these opportunities pass you by.

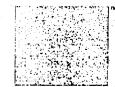
Warmest regards.

Ellen R. Malcolm President

P.S. America and the Democratic Party need dynamic and courageous leadership. I have described six such leaders in this letter. Their powerful campaigns for election and re-election will draw large numbers of women voters to the polls, and those women voters will vote to kick George W. Bush out of the White House. Please support two, three, or more of these candidates with generous contributions today! To help your contributions reach your candidates faster go on-line at www.emilyslist.org

### EMILY's List Recommends...

EMILY'S LIST 1120 CONNECTICUT AVENUE, NW SULTE 1100 WASHINGTON, DC 20016 202-726-1400 WWW.EMILYSLIST.CRC



### **Christine Gregoire** For Governor of Washington

One of the most powerful and successful state attorneys general in the country. Christine Gregoire has taken on the pharmaceutical industry for trying to manipulate the cost of prescription drugs and fought Big Tobacco's relentless efforts to sell cigarettes to children. Now, after nearly three terms as the state's chief attorney, Gregoire is the leading Democratic candidate running for Washington's open governor's seat.

Moments after Democratic Gov. Cary Locke announced he would not seek a third term. Gregoire let it be known that she would seek the top spot. "I intend to run," she told reporters. "I'm ready to make the tough decisions." Gregoire has demonstrated toughness throughout her caresr. In 1998, she led the fight between 46 states and the tobacco industry, negotiating a \$206 billion settlement which included severe restrictions on tobacco marketing, particularly to children. As director of Washington's Department of Ecology, Gregoire negotiated an agreement with the federal government mandating safe cleanup of Washington's Hanford Nuclear Reservation, which is regarded as the largest environmental cleanup project in the world. As attorney general, she has enforced the agreement, filing a lawsuit to uphold the terms and keep the cleanup of Hanford on track.

A native of Washington, Gregoire was mentioned as a possible candidate for U.S. Senate in 2000. With her daughters now at college and law school, the time is right for Gregoire to seek higher office. She would be the first female governor of Washington in nearly 25 years — a fitting accomplishment for a woman who has, according to the AP. "made a career of shattering glass ceilings."

The Political Situation

Republicans, who control the Washington state Senate, have not elected a governor since 1981 and are eager to take over. The White House, which recently succeeded in recruiting a strong GOP challenger to Washington Sen. Patty Murray, has made it clear the GOP will spend heavily to secure Washington's electoral votes for Bush and elect more Republicans up and down the ballot.

National Republican officials, including some from the president's re-election committee, have met with State Sen. Dino Rossi, a commercial real estate broker who chairs the powerful Senate Ways and Means Committee. A rising star

a strong conservative. He's anti-choice, carned an A+ rating from the National Rifle Association — and he's a "no-new-taxes" proponent who spearheaded an effort to cut \$47 million in state funding for prenatal care for pregnant immigrant women. "Dino is clearly someone the Republican Party is going to build its future upon," Chris Vance, GOP state party chair, told the King County Journal. Also considering the race is retired House Speaker Clyde Ballard, a self-described conservative Christian, and King County Councilman Rob McKenna.

Before she can defend the governor's seat for Democrats, Gregoire must get through a primary which may get crowded. King County Executive Ron Sims, and former state Supreme Court justice and senator Phil Talmadge have aiready declared their bids, and U.S. Rep. Jay Inslee is considering running.

Due to Washington state campaign laws, Gregorie faces a



particularly tough fundraising challenge. As a state official, she is prohibited from raising money for her campaign during the legislative session and for 30 days before and after. That means Gregoire will be unable to raise funds for several months, while her primary opponents — who do not hold state office — are free to build their war chests. Conventional wisdom says Gregoire can win this race, but with this fundraising disadvantage she must build up her treasury now, in the early days of her campaign, to get off to a winning start and discourage other Democrats from running.

### The Issues

Gregoire, who graduated from the University of Washington with a teaching certificate, places a premium on public education. Providing a sound funding base is critical to improving the quality and availability of schools. "We must provide teachable class sizes, a safe learning environment, and quality teachers who are recognized, accountable, and paid what they deserve," she says.

Gregoire, who provided care for her elderly mother while raising her children, is part of the "sandwich" generation and knows firsthand the challenges working families, especially women, face. Selected as one of the 25 most influential working mothers in the nation by Working Mother magazine, she instituted a number of family-friendly policies in the attorney general's office, including job sharing, flex-time, telecommuting, and ride programs for carpoolers with sick kids.

Gregoire's top priority as governor of Washington will be to restore the health of the state's economy. "We must provide more jobs and increase the revenue hase so that our families can get back on their feet and the state can fulfill its responsibilities, which include providing quality K through 12 and higher education for every child in the state," she says.

Gregoire has spoken out publicly and forcefully in favor of hate crimes legislation that includes crimes against people on the basis of race, religion, or sexual orientation. "This is an equal rights issue," she told legislators. "An attack on any of these groups is an insult to all the citizens of this state."

As the state's top prosecutor, Gregoire has worked to enhance public safety and reduce crime. Her office has established partnerships with other state agencies to share expertise and resources. She helped pass legislation to reduce oullying, a frequent cause of school violence, through teacher raining and peer mediation. She created a special unit in the attorney general's office to prosecute people who abuse and exploit senior citizens. She has been a leader in estabishing stronger protections for victims of domestic violence - fighting for legislation, holding statewide educational summits, and developing strategies to address the high ncidence of domestic violence in the law enforcement community itself. "We need to focus on prevention to avoid rimes in the first place," she says. "We need to educate the public, train our law enforcement officers, legislate and prosecute where necessary."

Gregoire successfully prosecuted pharmaceutical companies for violating anti-trust laws by manipulating the price and availability of certain prescription drugs in Washington. Lamenting the state of health care in the U.S., Gregoire says, not have access to affordable health care? We need to consider programs such as pooling and using the state's bargaining power to reduce costs."

In addition to leading the fight to clean up the Hanford Nuclear Reservation, Gregoire argued and won a case before the U.S. Supreme Court clarifying provisions of the federal Clean Water Act. "We need a strong economy and strong environmental protections," she says. As governor, Gregoire will bring her negotiating skills to bear in addressing Washington's water shortage. "We need to bring all parties to the table to end a decade-long standoff and develop a workable plan for the future," she says.

Under Gregoire, the attorney general's office prosecuted a state trooper for abusing his power by trying to talk a woman out of getting a legal abortion. As attorney general, she has staunchly defended *Roe v. Wade*; she will continue to provide strong pro-choice leadership as governor of Washington.

September 2003

Contributions may not exceed \$1,250 in the primary and \$1,250 in the general election.

To support Christine Gregoire, please make your checks payable to:

Gregoire for Governor

and mail to:

PO Box 96612 Washington, DC 20077-7261

Page 16 of 36

**GFG 000044** 

Paid for by People for Christine Gregoire, Governor



Christine Gregoire for governor of Washington State. One of the most accomplished and respected state attorneys general, Gregoire led negotiations for the landmark \$206 billion settlement between the tobacco industry and 46 states in 1998. As director of the Washington Department of Ecology, she negotiated what is generally

considered the largest environmental clean-up project in the world. Washington Republicans have been locked out of the governor's mansion since 1985 and are anxious to regain control now that Democratic Gov. Gary Locke has announced he won't seek re-election. They're hoping President Bush's popularity will lift their gubernatorial nominee to victory in 2004. Gregoire is the front-runner but faces a tough primary fight. (Make your check payable to Gregoire for Governor.)



Allyson Schwartz for Congress in Pennsylvania. State Sen. Allyson Schwartz faces a crowded field for this open House seat outside Philadelphia. At least six Democrats are contemplating running in the 13th district, including two anti-choice state senators. Republicans are anxious to nab the swing seat, currently in Democratic hands.

The GOP field includes an anti-choice former congressman and the 2002 GOP nominee, a physician with substantial personal wealth. One of the leading Democrats vying for the seat recently dropped out and endorsed Schwartz, making her the Democratic front-runner. (Make your check payable to Schwartz for Congress.)



Sen. Patty Murray of Washington. Karl Rove finally convinced GOP Rep. George Nethercutt to give up his safe House seat to challenge Patty Murray. Nethercutt has a history of beating tough incumbents: he unscated House Speaker Tom Foley when the GOP took over Congress in 1994. Now he's taking aim at Murray, and he'll have

the full support of national Republicans anxious to win this seat. Murray has been a determined and effective opponent of the Bush agenda: she recently thwarted Bush administration plans to actually cut \$28 million for security for the nation's seaports, including those in Washington's Puget Sound. (Make your check payable to Murray for Senate.)



Vi Simpson for governor of Indiana.

A 19-year state Senate veteran, Vi Simpson has steered Indiana through tough fiscal times. As chair of the bipartisan Budget Committee, she helped develop a budget that addresses the state's soaring deficit while avoiding disastrous cuts in essential services and funding for education. That's a sharp

contrast to her likely GOP opponent, former Bush Office of Management and Budget Director Mitch Daniels, who presided over the most dramatic swing from surpluses to deficits in U.S. history. Simpson has the skills to lead the state, but must first defeat a well-funded primary opponent before facing Daniels, whose campaign hopes to raise \$15 million. (Make your check psyable to Simpson for Governor.)



Gov. Ruth Ann Minner of Delaware. Minner has been challenged by the same economic crises facing every governor thanks to Bush's disastrous economic policies. And yet, under Minner's leadership. Delaware is among the top three states in fiscal stewardship, according to USA Today. Minner has cut spending while preserving

vital services — and she's kept her focus solidly on education, refusing to sacrifice the future of Delaware's children to the misguided agenda of the Bush economic team. Two well-funded Republicans have filed to challenge her, including anci-choice Judge William Lee, who lost the GOP primary in 2000 by 46 votes and never stopped running. (Wake your check payable to Minner for Governor.)



### Sen. Barbara Boxer of California.

California has been a Democratic stronghold, but the GOP is re-energized by the multi-million-dollar effort to recall Gov. Gray Davis. Bush benchman Karl Rove, who would love to force Democrats to spend and defend California in the presidential election, is personally interviewing potential

challengers to Boxer in the hones of lifting Republican turnout in 2004. The short list of potential Boxer challengers includes former governor Pete Wilson, who is not discouraging speculation, and former U.S. Treasurer Rosario Marin, who recently announced her intent to run. (Make your check payable to Boxer for Senate.)

EMILY's List suggests that you make contributions to the first two candiduces listed here. The order on your card has been chosen to achieve a baland of support among the candidates. If you want to do more, please consider gifts to the other candidates as well. Of course, who you support is your decision. Contributions to political candidates and EMILY's List are not deductible for federal income tax purposes. Federal and state laws require political committees to use hest effores to obtain, maintain, and submit the name, mailing address, accupation, and name of employer for each individual whose contributions exceed \$200 in a calendar year. Occupation Employer

Entall Address

### ACT NOW! Support these courageous candidates.

Ms. Suzie Q. Sample 123 Any Street Anytown, US 12345-6789 To give immediate support to the candidates of your choice, you can make your contributions on-line at www.emilyslist.org using your member number: 12345

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	MINNER FOR C	OVERNOR \$250	_\$500	Other \$	
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Paid for by People for Christine Gregoire Governor, Vi Simpson for Indiana Committee, Allyson Schwartz for Congress,
The Minner Campaiga, People for Party Mutray, and Friends of Barbara Bozer.

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## 。 MILY's List Recommends.

## Ruth Ann Minner

## Running for Governor: Delaware

Make your check parable to Minner for Governor



• AN INSPIRING PERSONAL STORY.

Deliware Gov. Ruth Ann Minner's personal story is an inspiring account of triumph over tragedy. Married by the age of 17, she became a widow at 32.

With three sons to raise, Minnet worked full-time while eurning her GED. Once the governor's receptionist, she went on

to run and win spott in the state House, Senate, and as lieutenant gevernor before being elected Delaware's first woman governor in 1000.

- Minner has been chellenged by the same economic crises facing every governor as a result of George W. Bush's disastrous economic policies. And yet, under her leadership, a USA loday analysis places Delaware among the top three states in fiscal stewardship. Minner has proved that since an make the tough decisions and cut spending while preserving viral services and she has kept her fucus solidly on education, refusing to sacrifice the future of Delaware's children to the misguided agenda of the Bush economic team.
- REPURLICANS TAKE AIM. Ruth Ann Minner has pushed through the legislature a wide-ranging patients' bill of rights and a ban on smoking in public places. She is fighting for legislation to prohibit discrimination on the basis of sexual orientation. Her willingness to take on these tough fights is what makes her a great leader—and a powerful enemy of the rabid right wing and wealthy special interests. Some well-funded Republicans intend to challenge Minner, including anti-choice Juege William Lee, who lost the GOP printary in 2000 by 46 votes and never stopped running. Ruth Ann Minner needs to raise \$2 million to beat back right-wing opposition and maintain her place at the aclin of Delaware's state government.

### Patty Murray

## Running for U.S. Senate: Washington Make your check payable to Muray for Senate

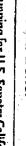


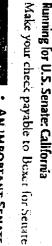
"You work HARD, YOU GET MAD, YOU ORGANIZE, YOU FIGHT." So says Sen. Party Murray of Washington, whose determined defense of women and families has put her in the crosshairs of White House prolitions. They don't like Murray's efforts to diwart the Bush

agenda including the amendment she pushed through the Senate to take \$2 billion from Bushi tax cut and use it to fund the "No Child Left Behind" education initiative. They don't like her effective dissent including her efforts to allow military women access to abortion services overseas and to make emergency contraception available to more women.

- STARTING FROM PRINCIPLE. Sen. Patry Murray got her political start fgluing for school funding. Rebuffed by incumbent legislators, she ran for a seat in the state Senate and won. Her stunning U.S. Senate victory in 1992 and reelection in 1998 numed her into a national leader for women, children, and limitlies. She has feught to protect welfare benefits for victims of domestic violence, make child care more accessible, extend unemp oyment benefits, hire 100,000 new teachers and make heath care more available for the uninsured.
- A CHALLENGE FROM THE RABID RIGHT. Bush advisors want to replace Mutray with a rubber-stamping Republicar. They've recruited "giant-killer" Rep. George Nethercutt, who defeated Speaker of the House Tom Foley in 1994, to run against her. Nethercutt is on the radical fringe of the GOP: he consistently votes to restrict the right to choose; has earned 100% approval from the Christian Coalition; is a durling of the NRA; and wants to eliminate the Department of Education and pull out of the U.N. A well-funded Republican could edge Murray out in Washington, a swing state. She must raise \$10 million to continue her powe-ful advacacy in the Separe.

## iarbara Boxer







When the going gets tough, Sen. Barbar Boxer starts lighting. She handed Bush a stinging defear when she organized the Senare fight against drilling in the pristing Arctic National Wildlife Refuge Slicks 2 key figure in the effort to fund international family planning, which

Push gutted when he reinstated the "geg" rule. Boxer has also led efforts to black judicial nominations of right-wingers who are dedicated to ending a woman's right to choose. She has a history of speaking out: as a congress woman she led a delegation of House women to the Senator protest the Clarence Thomas hearings.

- A STATE IN POLITICAL TURMOIL. California has been a Democratic stronghold, but the GOP is re-energized by the multimillion-dollar effort to recall Gov. Gray Davs. Bush herchman Karl Rove, who would love to force Democrats to spend and defenc California, is personally interviewing potential challengers to Sen. Barbara Boxer in the hopes of lifting Republican turnout in a presidential year. The short list of Boxer challengers includes former governor Pete Wilson, who is not discouraging speculatio and former U.S. Treasurer Rosario Marin, who has announced her hid.
- URGENT NEED FOR FUNDING. This race will be alarmingly expensive. Barbara Boxer must raise \$25 million—nearly twice the cost of her 1998 campaign to beat back Rush White House efforts to commundeer her seat and Californi's electural votes in 2004. She needs immediate, generous support from EMILY's List members to build a re-election fund that will keep ber fighting in the United States Senate.



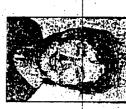
A TOUGH, SKILLFUL NECOTIATOR.
After nearly three terms as Washington's attorney general, Christine Gregoric is the strongest Democrat tunning for the open governor's seat. Christine Gregoric led 46 states in negotiations with Big Tobacco, winning the largest settlement

of the Washington Department of Ecology, she negotiated cleanup of Washington's Hanford Nuclear Reservation, the largest environmental cleanup project in the world.

- Push White House wants this seat. The White Ilouse has made it clear they will fight for Washington's electoral votes and spend heavily to elect Republicans up and down the ballot in 2004. National GOP officials have met with State Sen. Dirio Rossi, chair of the Senate Ways and Means Committee, about the governor's tace. A rising star in the state GOP, Rossi is anti-choice and has carried an A+ from the NRA. Other potential Republican cand dates include retired House Speaker Clyde Ballard, a self-described conservative Christian.
- THE DEMOCRATIC FRONTRUNNER. Before she can defend the governors seat for Democrats, Gregoire must get through a potentially crowded primary. Washington campaign financing law puts Gregoire at a disadvantage; as a state official, she is barred from raising money when the legislature is in session and for 30 days before and after. Since her primary apponents do not hold state office, this law does not apply to them. Gregoire needs intimediate support to build up her treasury, get off to a winning state, and discourage other Democrats from seeking the romination.

### Vi Simpson

Running for Governor: Indiana
Make your check payable to Simpson for Governor



RECORD DEFICITS. State Senator
Vi Simpson has steered Indiana through tough fiscal decisions. As chair of the Senate Budget Committee, she helped craft budgets that cut the states souring deficit while awiding disastrous cuts in essential services and funding for

education. That's a sharp contrast with her likely GOP opponent, former Bush OMB director Mitch Daniels, who presided over the most dramatic swing from budget surplus to deficit in U.S. history.

- "Money-Grubbing" New Yorkers. Daniels, whom Bush nicknamed "the Blade" for his budget-cutting zeal, tried to renege on the administration's pledge of \$20 billion in emergency aid for devastated New Yorkers after 9/11, saying New Yorkers were sugaging in "a little money grubbing game." Daniels contemptuous attitude offended even his fellow Republicans: "Go home to Indiana," was the advice of one GOP senator when asked what Daniels could do to mend fences with Congress.
- DEFENDING CHOICE, THE ENVIRONMENT, AND FAMILIES. A 19-year state Senate veteran. Vi Simpson has fought for laws to strengthen child support collection, help victims of domestic violence, fund public education, and clean up the environment. She is resolutely pro-choice in a state where arti-choice forces are strong and persistent Simpson has the skills to lead the state, but must first defeat a well-funded primary opponent before facing Daniels, whose campaign is aiming to raise \$15 million. Vi Simpson needs significant financial support from EMHY's List members to become Indiana's first woman governor.

## Allyson Schwartz

CEC 000048

Running for U.S. House of Representatives: Pennsylvaria Make your check payable to Schwartz for Congress



• A RARE OPEN SEAT. State Sen.
Allyson Schwartz foces a crowded field for this open-House-scal in suburban. Philadelphia. At least four Democrats are centemplating running in the 19th district, including two anti-choice state legislators. Republicans are anxious to tuab this swing seat, which is currently

Democratic hands. The GOP field includes an anti-choic former congressman and the 2002 GOP nominee, a physician who can sink substantial personal wealth into her campaign.

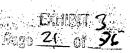
- A TOUGH, ACCOMPUSHED LEGISLATOR. Allyson Schwartz is a former social worker who founded l'hiladelphia's first worman's health clinic. The most senior woman in the state Scinite, she captured her seat from anti-choice Republican in 1991. Since then, she's stauncht defended abortion rights and gone head-to-head with anti-choice groups that opposed her efforts to fund family planning. Schwartz is a leading expert on education policy and a fighter for public schools. She led regoriation to develop Pennsylvanta's Children's Fleath Insurance Program making private health insurance available to dildden of working families.
- THE STRONGEST DEMOCRAT TO HOLD THE SEAT.

  Democrats need a strong candidate like Allyson Schwartz to hold this marginally Republican seat. Schwartz has hig rame recognition and a favorable image from previous campaigns, and an endmisiastic base of support in this community. An early infusion of money will help her avoid an expensive primary by deterring other Democrats—and prepare her for a rough Republican opponent in November 2004.

# ACT NOW! Support these courageous candidates.

EMILY's List suggests that you make contributions to the first two cardidates listed here. The

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	candidates as well. Of course, who you support is your decision.		
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WASHINGTON DC

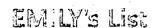
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VEBSITE WWW.emilysilst.org

November 7, 2003

Ms. Suzie Q. Sample Any Corporation 123 Any Street Anytown, US 12345-6789

Dear Ms. Sample:

EMILY's List is meeting George W. Bush head-on!

George W. Bush hopes to entrench right-wing power in American government by winning Senate seats, House seats, and governorships ... and winning four more years in the White House

In key states and key elections, EMILY's List is backing strong pro-choice Democratic women candidates who will not only derail Bush's right-wing power play, but also make him a one-term president!

I'm about to describe six pro-choice Democratic women candidates who are speaking out for families now suffering under the disastrous Bush administration ... speaking out for parents who have lost their jobs in the Bush recession ... speaking out for children who are getting a poor education because Bush would rather give tax breaks to the rich than spend money on schools.

And these pro-choice Democratic women are speaking out for every woman in America who values the right to choose that George W. Bush and his right-wing allies are trying to take away.

Our six Democratic women can win key elections for the House, the Senate, and governor-ships ... and help mobilize women voters who will kick George W. Bush out of the White House!

Running in elections where the Bush White House is taking a special interest, these outstanding candidates need your support right now to build strong campaigns.

This is your first chance, as a new EMILY's List member, to shape America's government by making direct contributions to pro-choice Democratic women candidates.

I hope you will consider making generous contributions of \$250, \$500 or \$1000 to two or more of these great candidates. Your contribution today will help to shatter Bush's political dreams!

Betty Castor, Florida's former Commissioner of Education, can crush George W. Bush's hope of replacing Florida Senator Bob Graham with a right-wing Republican.

Pago 23 of 36 (over, please)

GFG 000051

Betty Castor would be the first Democratic woman Senator from Florida, just as she was the first woman President Pro Tempore of the Florida Senate, the first woman elected to a Florida cabinet position, and the first woman president of the University of South Florida. She's a national leader in education and the only candidate who has won statewide elections.

The right-wing Republican field includes former Rep. Bill McCollum, known to most of America as a House prosecutor of President Clinton's impeachment. Like the other Republican hopefuls, McCollum is anti-choice. He was a leader in opposing gun control legislation like the Brady Bill in the House

In a crowded field, polling shows that Betty Castor is the strongest Democratic candidate to hold this seat and that she'll strongly motivate women voters, so that Florida's critical electoral votes won't go to George W. Bush in 2004. But right now, Betty Castor needs our immediate help to raise a \$10 million campaign fund.

Nancy Farmer. Missouri's first woman state treasurer, is running to oust Republican Sen. Kit Bond, one of George W. Bush's most consistent backers in the U.S. Senate Missouri is a perpetual battleground in the struggle to control the Senate and the White House, and Bond's reelection margins have always been narrow. Nancy Farmer's victory would deal a devastating blow to Bush's support in the Senate.

Nancy Farmer is known as a "no-nonsense" policymaker who knows how to win an uphill battle. As deputy treasurer, Farmer helped write legislation creating the Missouri Savings for Tuition program, which has helped thousands of Missourians afford higher education. She led the fight to eliminate the regressive sales tax on groceries, one of the largest permanent tax cuts in Missouri history, and has gone toe-to-toe with right-wing legislators who have made multiple attempts to curtail reproductive freedom.

Kit Bond has taken the lead in rolling back reproductive freedom and environmental protections in the Senate. And many voters remember that as Governor, he opposed school desegregation orders and tried to block voter registration efforts. Bond already has \$2.8 million in the bank; Nancy Farmer, a proven vote-getter, can defeat him, but she needs our immediate help to build her campaign's momentum and to amass a campaign fund of \$10 million.

Attorney General Christine Gregoire of Washington State can put a stop to Bush's plans to replace Washington's retiring Democratic governor with a right-wing Republican who'll deliver Washington's electoral votes for Bush. She was the lead attorney general negotiating the national tobacco settlement. And before becoming attorney general, Christine Gregoire represented her state in negotiating the world's largest environmental cleanup, at the Hanford Nuclear Reservation.

Right now, Christine Gregoire dominates the field of declared and potential Democratic contenders for the governorship. But Washington campaign finance law puts Gregoire at a disadvantage; as a state official she is barred from raising money when the legislature is in session and for 30 days before and after. Since her primary opponents do not hold state office, the law does not affect them. Your early contribution will help Christine Gregoire build her treasury and get off to a winning start. With both Christine Gregoire and Sen. Patry Murray electrifying and mobilizing Explicit D. women voters, Washington State will tilt against George W. Bush and this crucial state will go Democratic all the way.

24 36

And with governorships being so important to George W. Bush, he has dispatched one of his favorite enforcers to prevent State Sen. Vi Simpson from winning the governorship of Indiana, currently an open Democratic seat. Bush's plan has been called a "hostile takeover" of Indiana, he sent his own budget director. Mitch Daniels, to run for governor. Bush nicknamed Daniels "The Blade," presumably for his zeal for budget-cutting - but it could have been for Daniels' own cutting comments. For example when New York tried to collect the emergency aid Bush promised after 9/11. Daniels called their efforts "a little money-grubbing game."

As chair of the State Budget Committee, Vi Simpson has steered Indiana through fough fiscal decisions. She helped craft a budget that addressed the state's deficit while preserving funding for schools, health care, and other vital services. She has fought for laws to strengthen child support collection, help victims of domestic violence, fund public education, and clean up the environment. Vi Simpson can stop Bush's right-wing power grab in her state, if we give her the support she needs to build a strong campaign fund right now!

George W. Bush is eager to increase the Republican majority in Congress by defeating Rep. Darlene Hooley of Oregon. Elected to Congress in 1996, Hooley has managed to hold onto this tough swing district that Bush won in 2000

Darlene Hooley's record shows she deserves re-election: for example, she has cosponsored a bill to improve the quality of teaching in the nation's schools by helping to launch teacher mentoring programs. She also cosponsored a bill that encourages research into environmental factors which may increase the risk of breast cancer. Republicans want to silence her because she has been courageously critical of their policies. She fiercely criticized the Republican unemployment insurance bill because it excluded 1.1 million unemployed workers.

With anti-choice Republican state Senator Jackie Winters announcing her candidacy and George W. Bush actively raising money in Oregon, Darlene Hooley needs our early support to mount an unbeatable re-election campaign.

Rep. Denise Majette of Georgia is the target of a right-wing Republican strategy to increase the Republican majority in Congress.

Denise Majette came to Congress in 2003 by defeating Rep. Cynthia McKinney, who had alienated mainstream voters. Since then, Denise Majette has proved herself consistently pro-choice, working to block the ban on late-term abortions and to make privately funded abortions available to servicewomen at military facilities. Rep. Majette attacked the Bush economic plan for its irresponsible tax cuts and for failing to invest in working families and small businesses. She cosponsored an amendment to fully fund the No Child Left Behind Act, as well as two bills to make college loans more affordable.

Victories from the 2002 elections have made Georgia Republicans drunk with power. Now that they control the Senate and governorship, they are trying to redraw district boundaries to solidify GOP control of Congress. Your early support for Denise Majette now can discourage primary challengers and give her the resources to repel a Republican assault in a potentially newly redrawn district.

Because these candidates are squarely in the cross-hairs of the right-wing Republican strategy for political domination, they need our support now. In election after election, early contributions from EMILY's List members have helped elect pro-choice Democratic women to the House, the Senate, and governorships. With your early support, these candidates can win in November of 2004 and help mobilize women voters who will defeat George W. Bush.

When you joined EMILY's List, you showed that you want to join in fighting back against right-wing extremists trying to stamp their own moral and religious beliefs on America's government. So please take the first step today!

I urge you to send a generous contribution to the first two candidates listed on your reply form. (To spread our support among the candidates, they are listed in a different order on other members' forms.)

Of course, whom you support is always your choice

We cannot allow George W. Bush and his right-wing allies to tighten their iron-grip on American politics. We cannot give Bush four more years to inflict more devastation on America's families and on America's system of civil liberties!

EMILY's List members can make George W. Bush a one-term president by supporting the pro-choice Democratic women candidates who'll electrify women voters and bring them to the polls in unprecedented numbers.

But we must act now These courageous candidates need your contributions today. Please don't miss these opportunities!

Warmest regards,

Qn R. Malula

Ellen R. Malcolm
President

PS The six pro-choice Democratic women candidates described in this letter are leaders who need our immediate support to win. And their powerful election campaigns will draw millions of women voters to the polls who will vote to end the presidency of George W. Bush and elect Democrats up and down the ticket. Please support two, three, or more of these candidates with generous contributions today!

### EMILY's List Recommends...

EMILY'S LIST
1320 CONNECTION AVENUE, NW
SUITE 1100
WASHINGTON, DC 20036
202 326 1400
WWW.EMILYSLIST.ORG

### Christine Gregoire For Governor of Washington

One of the most powerful and successful state attorneys general in the country, Washington's Christine Gregoire has taken on the pharmaceutical industry for trying to manipulate the cost of prescription drugs and fought Big Tobacco's relentless efforts to sell digarettes to children. Now, after nearly three terms as the state's chief attorney. Gregoire is the leading Democratic candidate running for Washington's open governor's seat.

Moments after Democratic Gov. Gary Locke announced he would not seek a third term in July, Gregoire let it be known that she would seek the top spot. "I intend to run," she told reporters. "I'm ready to make the tough decisions."

Gregoire has demonstrated toughness throughout her career In 1998, she led the fight between 46 states and the tobaccc industry, negotiating a \$206 billion settlement which included severe restrictions on tobacco marketing, particularly w children. As director of Washington's Department of Ecology, Gregoire negotiated an agreement with the federal government mandating safe cleanup of Washington's Hanford Nuclear Reservation, which is regarded as the largest environmental cleanup project in the world. As attorney general, she has enforced the agreement, filing a lawsuit to uphold the terms and keep the cleanup of Hanford on track. After issuing an unusually early endersement of Gregoire's campaign for governor, the president of the Washington Council of Police & Sheriffs told the AP, "Christine Gregoire has been a friend of every police officer in this state, so why wait to endorse her? [She] is tough, savvy and willing to go me-to-toe for what's right,"

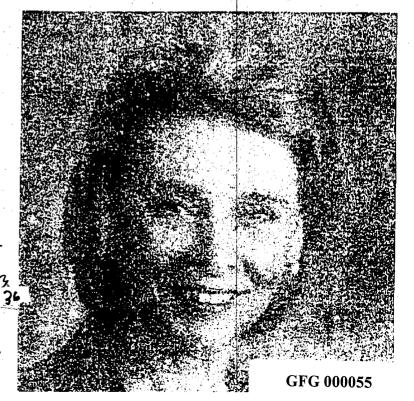
A native of Washington, Gregoire was mentioned as a possible candidate for U.S. Senate in 2000. With her daughters now at college and law school, the time is right for Gregoire to seek higher office. She would be the first female governor of Washington in nearly 25 years — a fitting accomplishment for a woman who has, according to the AP, "made career of shattering glass ceilings."

### The Political Situation

Republicans, who control the Washington state Senate, have not elected a governor since 1981 and are eager to take over. The White House recently recruited a strong GOP challenger o Sen. Party Murray and has made it clear the GOP will pend heavily to secure Washington's electoral votes for

National Republican officials, including some from the president's re-election committee, have met with State Sen. Dino Rossi, a commercial real estate broker who chairs the powerful Senate Ways and Means Committee. A rising star in the state GOP, Rossi would satisfy Republicans looking for a strong conservative. He's anti-choice, earned an A+ rating from the National Rifle Association — and he's a "no-new-taxes" proponent who proposed a hudget that cut \$47 million in state funding for prenatal care for pregnant immigrant women. "Dino is clearly someone the Republican Party is going to build its future upon," Chris Vance, GOP state party chair, told the King County Journal. Also considering the race is retired House Speaker Clyds Ballard, a self-described conservative Christian.

Before she can defend the governor's seat for Democrats, Gregoire must get through a primary against King County Executive Ron Sims and former state Supreme Court justice and Senator Phil Talmadge. Due to Washington state



campaign laws, Gregoire faces a particularly tough fundraising challenge. As a state official, she is prohibited from raising money for her campaign during the legislative session and for 30 days before and after. That means Gregoire will be unable to raise funds for several months, while her primary opponents — who do not hold state office — are free to build their war chests. Conventional wisdom says Gregoire can win this race, but with this fundraising disadvantage she must build up her treasury now, in the early days of her campaign, to get off to a winning start and discourage other Democrats from running.

### The Issues

Gregoire, who graduated from the University of Washington with a teaching certificate, places a premium on public education. Providing a sound funding base is critical to improving the quality and availability of schools. "We must provide teachable class sizes, a safe learning environment, and quality teachers who are recognized, accountable, and paid what they deserve," she says.

Part of the "sandwich" generation, Gregoire cared for her elderly mother while raising her children, so she knows the challenges working families, especially women, face. Selected as one of the 25 most influential working mothers in the nation by Working Mother magazine, she instituted a number of family-friendly policies in the attorney general's office, including job charing, flex-time, telecommuting, and ride programs for carpoolers with sick kids.

Gregoire's top priority as governor of Washington will be to restore the health of the state's economy. "We must provide more jobs and increase the revenue base so that our families can get back on their feet and the state can fulfill its responsibilities, which include providing quality K through 12 and higher education for every child in the state," she says.

Gregoire has spoken out publicly and forcefully in favor of hate crimes legislation that includes crimes against people on the basis of race, religion, or sexual orientation. "This is an equal rights issue," she told legislators. "An attack on any of these groups is an insult to all the citizens of this state."

Gregoire's work to enhance public safety and reduce crime have earned her the endorsements of the Washington state affiliate of the Fraternal Order of Police, the Washington State Council of Firefighters, and the Council of Police & Sheriffs. She helped pass legislation to roduce bullying, a frequent cause of school violence, through teacher training and peer mediation. She created a special unit in the attorney general's office to prosecute people who abuse and exploit senior citizens. She has been a leader in establishing stronger protections for victims of domestic violence - fighting for legislation, holding statewide educational summits, and developing strategies to address the high incidence of domestic violence in the law enforcement community itself. "We need to focus on prevention to avoid crimes in the first place." Gregoire says. "We need to educate the public, train our law enforcement officers, legislate, and prosecute where necessary."

Gregoire successfully prosecuted pharmaceutical companies for violating anti-trust laws by manipulating the price and availability of certain prescription drugs in Washington. Lamenting the state of health care in the U.S., Gregoire says,

not have access to affordable health care? We need to consider programs such as pooling and using the state's bargaining power to reduce costs."

In addition to leading the fight to clean up the Hanford Nuclear Reservation, Gregoire argued and won a case before the U.S. Supreme Court clarifying provisions of the federal Clean Water Act. "We need a strong economy and strong environmental protections," she says. As governor, Gregoire will bring her negotiating skills to bear in addressing Washington's water shortage. "We need to bring all parties to the table to end a decade-long standoff and develop a workable plan for the future," she says.

Under Gregoire, the attorney general's office prosecuted a state trooper for abusing his power by trying to talk a woman out of getting a legal abortion. She has always been a staunch defender of reproductive freedom and will continue to provide strong pro-choice leadership as governor of Washington.

November 2003

Contributions may not exceed \$1,250 in the primary and \$1,250 in the general election.

To support Christine Gregoire, please make your checks payable to:

Gregoire for Governor

and mail to:

P.O. Box 96612 Washington, DC 20077-7261

or make an immediate contribution online at www.emilyslist.org

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> > GFG 000056

(A) integrals



Attorney General Christine.
Gregoire of Washington State
is an outstanding candidate for
governor. She was the lead negotiator
of the \$206 billion national tobacco
settlement and has been a defender
of reproductive rights. Republicans

of reproductive rights. Republicans are encouraging an anti-choice, pro-gun state senator to run. So

Christine Gregoire needs out help now to clinch the Democratic nomination and build an unbeatable campaign. (Muke your cheeks payable to Gregoire for Governor.)



Betty Castor, Florida's Former Commissioner of Education.

is running to become the first Democratic woman senator from Florida. An expert on education, she is the strongest Democrat to hold this open seat ever Republican hopefule, who include impeachment prosecutor Bill McCollum and other

anti-choice zealots. With our help, she'll win this key Senate seat and mobilize women voters who'll keep Bush from winning Florida's electoral votes. (Make your checks payable to Caster for Senate.)



Rep. Darlene Hooley of Oregon may be the most vulnerable

Democratic woman in the House in this election, in spite of her impressive record of support for education, for health research, and for people left unamployed in the Bush recession. Now Bush is encouraging an anti-choice Republican

woman to run against Hooley, who urgently needs our support. (Make your checks payable to Hooley for Congress.)



State Sen. VI Simpson of Indiana is running for governor, facing George W. Bush's hand-picked candidate, former Budget Director Mitch Daniels. While federal deficits skyrocketed under Daniels, VI Simpson balanced the Indiana budget as chair of the State Budget Committee. Her efforts have

protected children, families, and victims of domestic vioience. But she needs que immediate help to defeat Bush's candidate and hold this governorship for the Democrats. (Muke your check: payable to Simpson for Governor.)



Nancy Farmer, Treasurer of Missouri, is hoping to defeat Sen. Kit Bond, one of George W. Bush's most loyal supporters in the Senate. He is a leading attacket of the right to choose and an enemy of the environment. Nancy Farmer would he an elequent Senate critic of the disastrous Republican economic

policies and a strong voice for education and reproductive freedom. But Bond already has millions of dollars in hand, and Nancy Former needs our help now! (Make your checks payable to Farmer for Senute.)



Rep. Denise Majette of Georgia

is a House fieshmen who has been a powerful vuice for working families and small businesses, and a champion of education. But state Republicans, drunk with power, are trying to redraw her district. To hold her seat against a potentially strong GOP challenge, Denise Majette

needs immediate support from EMILY's List members. (Make your cheeks payable to Majette for Congress.)

### The following candidates have been recommended by EMILY's List

CANDIDATES FOR GOVERNOR:

Christine Gregaire of Washington
Creck payable to Gregoire for Governor

Ruth Ann Minner of Delaware Check payable to Minner for Governor

Vi Simpson of Indiana Check payable to Simpson for Governor

Sant Consumer all Sant S

CANDIDATES FOR HOUSE:

Darlene Hooley of Washington
Check payable to Hooley for Congress

Denise Majette of Georgia
Check payable to Majette for Congress

Allyson Schwartz of Pennsylvania Check payable to Schwartz for Congress CANDIDATES FOR SENATE:

Barpara Boxer of California Chock payable to Boxer for Senate

Betty Castor of Florida Check phyable to Castor for Senace

Narcy Farmer of Missouri Check payable to Farmer for Senate

Barbara Mikulski of Maryland Check payable to Mikulski for Senate

Patty Murray of Washington Check payable to Murray for Schate

### At the heart of our Success: The EMILY's List commitment

In each election cycle, EMILY's List members commit to making contributions to at least two pro-choice Democratic with candidates recommended by EMILY's List.

In the 2002 election cycle EMILY's List and our members contributed \$9.7 million to pro-choice Democratic women candidates.

EMILY's List members made 101,030 individual contributions directly to 27 pro-choice Democratic women candidates.

## Help These Democratic Women Shatter Bush's Right-Wing Dreams!

| want to fit ip them win their elections and mativate women voters who will reject George W. Bush in key states where the presidential To give immediate support to the cardidates of sour choice, you can make your contributions on-line at wew.cmilyslist.org. GREGORE FOR GOVERHOR
\$250 SNO STOOM SIMPSON FOR GOVERNOR \$250 \$500 MAJETTE FOR CONGRESS \$250 SOO CASTOR FOR SENATE S250

CJ3XXVAC 12345 213

P290 \_\_

# hristine Gregoire

ake your check payable to Ciregoire for Governor nning for Governor: Washington



is the strongest Democrat tunning for Gregoire led 46 states in negotiating attorney general, Christine Gregoire the \$206 billion tobacco settlement, this open governor's sear. Christine nearly three terms as Washington's · ASKILLFUL NEGOTIATOR. After

ashington Department of Ecology, she negatiated the the largest in history. As head of the eanup of Washington's Hanford Nuclear Reservation, e largest environmental cleanup project in the world.

encouraging State Sen. Dino Rossi, chair of the Senate n Washington's electoral votes. National GOP officials ays and Means Committee, to run. A rising GOP star, BUSH WHITE HOUSE WANTS THIS SEAT. Republicans publicans up and down the ballot in 2004 and try to ossi is arti-choice and carned an A+ from the NRA we made it clear they will spend heavily to elect

ke on the Republicans, Gregoire must win a potentially its her at a disadvantage; as a state official, she cannot embens to build her campaign fund, discourage other days before and after. Since her primary opponents regoire needs immodiate support from EMLY's List not hold state office, this law does not affect them. THE DEMOCRATIC FRONTRUNNER. Before she can owded primary. Washington campaign finance law ise money when the legislature is in session and for emocrats from seeking the nomination, and get off a winning start.

### Vi Simpson

Make your check payable to Simpson for Governor Running for Covernor: Indiana



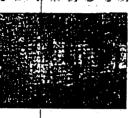
preserving funding for schools, health chair of the State Budger Committee, · SMART FISCAL MANAGEMENT VS. through rough fixal decisions. As RECORD DEFICITS. State Senator addressed the state's deficit while Vi Simpson has swered Indiana she helped craft a budger that

care, and other vital services. That's a sharp contrast with her likely GOP opponent, former Bush OMB Director Witch Daniels, who presided over the most dramatic swing from budger surplus to deficit in U.S. history

- Bush nicknamed "the Blade," presumably for his budget-"MONEY-GRUBBING" NEW YORKERS. Daniels, whom pledge of \$20 billion in emergency aid for cevastated engaging in "e little money-grubbing game." Daniels' of one GOP senator when asked what Daniels could Republicans: 'Go home to Indiana," was the advice cutting zeal, tried to renege on the administration's New Yorkers after 9/11, saying New Yorkers were contemptuous attitude offended even his fellow do to mend lences with Congress.
- has fought for laws to strengthen child support collection, nely victims of domestic violence, fund public education, 815 million. Vi Simpson needs generous financial support choice in a state where anti-choice forces are strong and must first defeat a well-funded primary opponent before persistent. Simpson has the skills to lead the state, but FAMILIES. A 19-year state Senate vereran, Vi Simpson from EMILY: List members to become Indiana's first and clean up the environment. She is resolutely pro-DEFENDING CHOICE, THE ENVIRONMENT, AND facing Daniels, whose campagn is aiming to raise voman governor.

### **Betty Castor**

Make your check payable to Castor for Senare Running for Senate: Florida



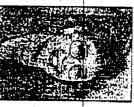
Castor, Florida's former Commissioner of Education, can shatter that dream. · BUSH SEES AN OPENING. George want to put a right-wing Republican W. Bush and his political advisors in the seat of Florida Democratic Senator Bob Gaham. But Berry

lempore of the Florida Senate, the first woman elected tea Florida cabinet position, and the first woman president She is the first woman President Pro of the University of South Florida.

- Congressman Bill McCollum, known to most of America as one of the House prosecutors in the impeachment trial Democrats will take a strong candidate like Betry Caston. of the Clinton administration. Holding this seat for the opposing the Brady Bill, the key gun control legislation heavily slanted toward the right wing, includes former hopefuls, McCollum is anti-choice; he was a leader in • RIGHT-WING REPUBLICANS. The Republican field, of President Bill Clinton. Like the other Republican
- the environment, she will draw key groups of committed in a crowded field of Democratic hopefus, Betty Castor Bush's chances of winning this state. Early support from PROMINENT AMONG DEMOCRATS. Pulls show that, has the highest name recognition, and her position as EMIIX's List members will enable her to pull solidly In addition, as a recognized leader on education and Democratic voters to the pulls, dimming George W. a candidate from central Forida is a key advantage. shead of the field and help her build a Sto million

# Running for Senate: Missouri

Make your check payable to Farmer for Senate



• DEMOCRATIC OFFORTUNITY.

Missouri is a perpetual bartleground in the struggle to control the LLS. Senate and the White House. Now Nancy Farmer, Missouri's first woman state treasurer, is running to our GOP Sen. Kit Bond, one of George W. Bush's

Band's re-election margins have always been parrow, so Nancy Fermer has the opportunity to deal a devastating blow to Bush's support in the Senate. Kit Bond has taken the lead in rolling back reproductive freedom and environmental protections. He also has a disgraceful record on gun safety, health care, and education.

- worked to keep the state treasuret, Nancy Farmer has worked to keep the state financially solvent despite George W. Bush's disastrons economic policies that have sent other states into fiscal crisis. Before hecoming state treasuret, Nancy Farmer was known as a no-nousense legislator whom one colleague pointed out "lost very few battles." She led the effort to eliminate the regressive sales tax on groceries in Missouri the largest permanent tax cut in state history. In the U.S. Senate, she will be an experienced and eloquent critic of the Bush economic policies that are damaging state governments and citizens. Nancy Farmer has won the endorsements of multiple pro-choice groups in Missouri.
- A LONG ROAD AHEAD. This is an opportunity to replace a right-wing Senate ally of Bust, with a pro-choice woman and expert on government fiscal responsibility. But Kit Fond already has \$2.8 million in the bank, so Nancy Farmer will need our immediate help to build her campaign's momentum and amass a campaign fund of \$10 million.

## Darlene Hooley

Running for U.S. House of Representatives: Oregon Make your check payable to Hooley for Congress



Presidential election, George W. Bush descued Al Gore in Rep. Darlene Hooley's district. His political advisors have made Oregon at top target in 2004, and they'll do whatever they can to put Hooley's Republican challenger

support among women, Bush has personally encouraged an anti-choice woman state senator to run; national Republicans are also excited about an anti-choice international lawyer who is willing to finance his own campaign.

- \* HOOLEY DELIVERS. Darlete Hooley has proven her ability to win tough battles in the House. After the collapse of Enron devastated theusands of Oregonians, she sponsored a bill to help those who lost their pensions. She cosponsored a bill to increase research into environmental factors that contribute to breast cancer and is fighting for full funding for the Individuals with Disabilities Act.
- \* A CONGRESSWOMAN OF TREMENDOUS APPEAL, Hooley tends carefully to her constituents, who value her moderate views and legislative skills. But her district has a razor thin Demecratic edge and was won by Bush in 2000. Hooley is now considered the most vulnerable Democratic woman ir Congress. She needs out help to raise \$z million more than she's ever raised to over come the full strength of a Republican party so eager to unscat her.

## Denise Majette

FG 000061

Running for U.S. House of Representatives: Georgia



Penise Majette came to the U.S.
House in 2002 after defeating Rej
Cynthia McKirney, who had alic
mainstream voters. Since that ups
victory, Denise Majette has prove
herself an able and effective congr
woman. Consistently pro-choice,

has worked to block the ban on late-term abortions to make privately funded anortions available to servinorment at military facilities. Majette attacked Bush's economic plan for its irresponsible tax cuts and failutivest in the working families and small businesses the calls "the backbone of our economy."

- A STRONG ALLY FOR EDUCATION. The daughter of a trachet, whose children are in public school, Deniac Majette understands the value of education. She exponsored a bill to fully fund the No Child Le Behind Act, the education initiative that George W. Bush has abandoned. And she cosponsored bills to mecollege more affordable for students who need loans than their education.
- POLITICAL MANEUVERING. Republicans control to Georgia State Senate and are trying to redraw district boundaries to gain more seats in Congress. This coult put Majette's now-safe Democratic seat at risk of a Garkeover. Early support from EMILYs List today with discourage primary challengers and arm Majette with resources to repel a GOP assault in a redrawn district

# Help These Democratic Women Shatter Bush's Right-Wing Dreams!

dominate America's government. I want to help them win their elections and motivate women voters who will YES, I want to help pro-choice Democratic women candidates blcck George W. Bush's national strategy to eject George W. Bush in key states where the presidential election will be decided!

I am enclosing my contributions to the candidates indicated below:

Other \$

\$100

FARMER FOR SENATE

\$100

CASTOR FOR SENATE

\* \* \*

\$100

MAJETTE FOR CONGRESS

\$100

HOOLEY FOR CONGRESS \$53

\$100

SIMPSON FOR GCVERNOR

GREGOIRE FOR GOVERNOR

EMILY 's List suggests that you make contributions to the first two candidates listed nore. The order on your card has been chosen to achieve a balance of support among the candidates.
ベニャア

other candidates as well. Of course, who you support

List are not deductible for federal moone tax purposes Contributions to political candidates and EMILY:

Docupation

Emeil Address

To give innediate support to the candidates of your choice, you can make your contributions on-line at www.emilyslist.org

Other \$

Ms. Suzie Q. Sample Any Corporation 123 Amy Street hid for by People for Christine Gregoire for Governor, Vi oneress, and the Committee to Re-Elect Denise Majette. DC., Naticy Farmer for U.S. Senate, Darline Honley for EMILY's List • 1120 Connecticut Avenue, KW

**CI3MNSBF** 

Anytown, US 12345-6789

inite 1100 · Washington, DC: 20136

GFG 000062

# The following candidates have been recommended by EMILY's List

Check-payable to Simpson for Governor Vi Simpson of Indiana Check payable to Minner for Governor Ruth Ann Minner of Delaware Check payable to Gregoire for Governor Christine Gregoire of Washington CANDIDATES FOR GOVERNOR: Check payable to Schwartz for Congress Check payable to Majette for Congress Allyson Schwartz of Pennsylvania Check payable to Hooley for Congress Denise Majette of Georgia Darlene Hooley of Oregon CANDIDATES FOR HOUSE Check payable to Farmer for Senate Nancy Farmer of Missouri Check payable to Boxes for Senate **Barbara Boxer of California** Check payable to Castor for Senate CANDIDATES FOR SENATE Betty Castor of Florida

Check payable to Mikuski for Senate Barbara Mikulski of Maryland

Check payable to Murtay for Senate

Patty Murray of Washington

# At the heart of our Success:

# The EMILY's List commitment

In each election cycle, EMILY's List members commit to making contributions to at least two pro-choice Democratic wornen candidates recommended by EMILY's List.

In the 2002 election cycle EMILY's List and our members contributed \$9.7 million to pro-choice Democratic women candidates. EMILY's List members made 101,030 individual contributions directly to 27 pro-choice Democratic women candidates

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Postage will be paid by addressee

Page\_36 #



RECEIVED

JAN 1 2 2004

January 9, 2004

Public Disclosure Commission

Vicki Rippie Executive Director Public Disclosure Commission P.O. Box 40908 Olympia, WA 98504-0908

Re:

Violations of RCW 42.17 by Christine O. Gregoire,

People for Christine Gregoire for Governor,

Lloyd Philip, Treasurer of People for Christine Gregoire for Governor and EMILY's List, a Political Committee

Dear Ms. Rippie:

On November 7, 2003, EMILY's List mailed to an unknown number of persons the enclosed political advertising. The advertising contains a solicitation of contributions for contributions to the gubernatorial campaign of Christine O. Gregoire.

### Exhibit 1.

Solicitation for funds from EMILY's List.

### Exhibit 2.

Accompanying the solicitation for funds was a business reply envelope pre-addressed to EMILY's List.

### Exhibit 3.

Attached as Exhibit 3 is the cover letter from EMILY's List soliciting support for Attorney General Gregoire. At page two of the letter, EMILY's List makes explicit reference to Washington campaign finance law and the "session freeze." At the bottom of page one of Exhibit 3 is a statement that the letter has been paid for by "People for Christine Gregoire for Governor." In Exhibit 1, page 2, EMILY's List solicits contributions to Gregoire for Governor to be mailed to the pac's Washington, DC address. At Exhibit 1, page 4, the political advertising also indicates that it has been "paid for by People for Christine Gregoire for Governor." At page 2, the solicitation for funds again makes explicit reference to state campaign finance law and the "session freeze."

Clearly, both EMILY's List and People for Christine Gregoire for Governor are intimately familiar with the details of Washington campaign finance law. The solicitation by EMILY's List violates RCW 42.17.730 by "bundling" contributions. Only individuals are allowed to collect contributions from other persons and transmit them to a candidate. EMILY's List, as a pac, is prohibited from collecting contributions from third parties for the purpose of transmitting them to a candidate or committee. People for Christine Gregoire for Governor has violated the same statute by assisting and paying for the solicitation through which EMILY's List has violated RCW 42.17.730. Attorney General Gregoire and Lloyd Philip, are the only officers or agents of the committee listed on its C-1 filings with the Public Disclosure Commission. Any acts by the committee are attributable to its officers.

By collecting contributions at its Washington, DC headquarters, EMILY's List has, in effect, assumed dominion and control over the contributions made. The contributions sent to EMILY's List are in the nature of "earmarked" contributions as described in 42.17.670. Under RCW 42.17.670, the exercise of dominion or control makes the contributions collected by EMILY's List attributable to the pac as well. It does not appear that EMILY's List has reported these contributions to the Public Disclosure Commission, nor has People for Christine Gregoire for Governor reported these as contributions from EMILY's List. Upon information and belief, the amount of contributions sent to EMILY's List exceed \$1,250.00. By exercising dominion and control over contributions in excess of \$1,250.00, EMILY's List has violated RCW 42.17.640 governing maximum contributions to candidates.

By accepting contributions over which EMILY's List has exercised dominion and control, Attorney General Gregoire and her committee have violated RCW 42.17.640.

The flagrant violation of the anti-bundling statute and the acceptance of excess contributions from EMILY's List call for an immediate investigation of Attorney General Gregoire's campaign for governor and EMILY's List. In addition, the PDC should commence an immediate audit of EMILY's List to determine the exact extent to which EMILY's List has made excess contributions to the Gregoire gubernatorial campaign.

Any remedy, in addition to penalties for the flagrant violation of the statute, should include an order to return all excess contributions received by the Gregoire campaign.

Under the penalties of perjury and the law of the state of Washington, I believe the above to be true and correct.

WASHINGTON STATE REPUBLICAN PARTY

Peter Abbarno, Executive Director

Vicki Rippie, Executive Director Public Disclosure Commission January 9, 2004 Page 3

STATE OF WASHINGTON	)	
. , ,	) s	S
County of Kind	)	

On this  $\frac{91}{2}$  day of January, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Peter Abbarno, to me known to be the Executive Director of the Washington State Republican Party, the political party that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said political party, for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.



Enclosures: a/s

NOTARY PUBLIC in and for the State of Washington, residing

at Augunn

My commission expires: 6.4.66

### LAW OFFICES OF MCNAUL EBEL NAWROT HELGREN & VANCE A PROFESSIONAL LIMITED LIABILITY COMPANY

TYLER B. ELLRODT BARBARA HALLOWELL MICHALL D. HELGREN GREGORY J. HOLLON JERRY R. MCNAUL LOUIS F. NAWROT, JR. ROBERT D. STEWART ROBERT M. SULKIN CYRUS R. VANCE, JR PETER M. VIAL MARC O. WINTERS

600 UNIVERSITY STREET, SUITE 2700 SEATTLE, WASHINGTON 98101-3143 FACSIMILE: (206) 624-5128 (206) 467-1816

ROBERT C. FARRELL MICHELLE A. GAIL TIMOTHY G. GIACOMETTI NANCY G. STEPHENSON

OF COUNSEL T. DENNIS GEORGE ROBERT S. KLEIN GREGORY C. NARVER BARBARA M. SCHUKNECHT

February 11, 2004

### <u>VIA FACSIMILE - 360-753-1112 - AND U.S. MAIL</u>

Mr. Philip E. Stutzman Director of Compliance Public Disclosure Commission 711 Capitol Way, Room 206 Olympia, WA 98504

> Re: Christine Gregoire for Governor/PDC Case No. 04-400

Dear Mr. Stutzman:

We are writing on behalf of People for Chris Gregoire for Governor (the "Gregoire Campaign") in response to your letter dated January 14, 2004 and with regard to the complaint filed by the Washington State Republican Party ("Complaint") in the above-referenced matter. We appreciate the opportunity to provide you this written reply, as well as the additional time you have graciously provided to us for this response.

Your letter dated January 14, 2004 requests answers to ten (10) specific questions. We have answered those questions below. We additionally provide an evaluation of the law and facts which demonstrate this Complaint to be unfounded.

In summary, the Complaint should be dismissed because:

- The Gregoire Campaign paid for all costs to solicit and collect the contributions at issue;
- Emily's List was not involved in transmitting the contributions to the Gregoire Campaign;
- Emily's List did not act as an "intermediary," "conduit," or "agent" for the Gregoire Campaign contributions, and exercised no "dominion and control" over the contributions at issue.

### I. DISCUSSION

### A. Factual Background.

Emily's List is a political organization headquartered in Washington, D.C. that supports pro-choice women candidates. It has thousands of individual members that live across the country.

Many of the members of Emily's List are supportive of Attorney General Gregoire's background and beliefs. The Gregoire Campaign wished to solicit contributions from Emily's List's members.

Accordingly, the Gregoire Campaign entered into an agreement with Emily's List by which the Gregoire Campaign would solicit and collect contributions in conjunction with mailings by Emily's List. Emily's List mailings typically include position statements related to three to five candidates in both federal and non-federal elections. The mailings present Emily's List's members with a wide assortment of candidates endorsed by the organization. Consistent with these practices, the mailings in question included information on Christine Gregoire and several other candidates from other jurisdictions. It was entirely up to the recipients of the mailing to decide whether to support Christine Gregoire, another candidate, or no one at all.

Significantly, the Gregoire Campaign paid—in advance—its pro rata share of the production and printing costs of each mailing by Emily's List. Further, it paid in advance (1) for access to Emily's List's donor mailing list; (2) for administrative overhead costs to be incurred in connection with the mailings; and (3) for other associated costs.

The Gregoire Campaign also entered into an independent contract with Sheads & Associates ("Sheads"), a direct mail "caging" firm located in Waldorf, Maryland, to collect, count, and deliver the contributions made to the Gregoire Campaign as a result of the mailings. Under the contract, Sheads was responsible for accessing and sorting all mail received by the Gregoire Campaign in response to the mailing. As indicated in the contract, attached as Exhibit A, the Gregoire Campaign paid Sheads on a per-"source document" — that is, per response — with a smaller per-piece rate charged for those responses that did not include contributions. Additional charges were incurred for administrative and other associated expenses, such as photocopying and clerical work.

Campaign contributions to the Gregoire Campaign were mailed to an Emily's List's post office box, accessed for purposes of collecting the contributions at issue by Sheads. Sheads forwarded the contributions to the Gregoire Campaign under Sheads' own separate agreement with the campaign. Emily's List was not involved in forwarding the contributions to the Gregoire Campaign; rather, that task was performed by Sheads pursuant to its contract with the Gregoire Campaign.

TO

Mr. Philip E. Stutzman February 11, 2004 Page 3

### B. Emily's List And The Gregoire Campaign Complied With RCW 42.17.730 "Intermediary Or Agent" Restriction.

Section 42.17.730 prohibits any person who is not an individual from being an "intermediary or agent for a contribution." See also RCW 42.17.020(3) (defining "person" to include a corporation, association or political committee). An "intermediary" is someone "who transmits a contribution to a candidate or committee from another person." RCW 42.17.020(25)(a). An "agent" is someone who has another's authority or consent, whether direct or indirect, express or implied, oral or written, to act on their behalf, represent and act for them, or act for or in place of them. WAC 390-05-190 (2003).

In this matter, Emily's List transmitted no contributions to the Gregoire Campaign. Rather, in response to mailings, donors wrote checks directly to the Gregoire Campaign. Sheads – by separate contract with the Gregoire Campaign – collected and forwarded these contributions to the Campaign. Nor was Emily's List an "agent" of the Gregoire Campaign with respect to any contributions. The only authority to collect or transmit contributions to the Gregoire Campaign or on its behalf belonged to Sheads, the caging company retained directly by the Gregoire Campaign for that purpose.

The Gregoire Campaign did not preview the reply envelopes sent with the mailings. However, the fact that Emily's List's name appeared on reply envelopes used in mailings in no way makes Emily's List an intermediary or agent. The Gregoire Campaign understands that because Emily's List paid for the mailing (with funds provided in advance by Gregoire Campaign and other participants), Emily's List was required to include its name directly on the return envelope. See, U.S. Postal Service, Domestic Mail Manual, S922.5.6. Ex. B. Nonetheless, Sheads controlled the post office box, sorted the contributions to Christine Gregoire from those sent to other candidates, and forwarded the contributions to the Gregoire Campaign.

### C. <u>The Gregoire Campaign Complied With RCW 42.17.670's "Earmarking" Rules By Accepting Contributions Directly From Donors.</u>

"Earmarked" contributions are defined as:

"[A]ny contribution given to an intermediary or conduit ... with a designation, instruction, or encumbrance, whether direct or indirect ... intended to result in or which does result in all or some part of the contribution being made to or for the promotion of a certain candidate .... If a conduit or intermediary exercises any direction or control over the choice of the recipient candidate, ... the contribution is considered to be by both the original contributor and the conduit or intermediary."

RCW 42.17.670

The State Republican Party's Complaint misreads RCW 42.17.670's "earmarking" provision. An "earmarked" contribution must carry some sort of "designation, instruction, or encumbrance" that is intended to result, or does result in the recipient spending it on behalf of another committee. RCW 42.17.670; see also Public Disclosure Commission, 2003 Campaign Disclosure Instructions for Political Committees at 32. None of these elements is present here. To the contrary, each check was made payable directly to the Gregoire Campaign and the donor had sole and independent control over whether to give to the Gregoire Campaign. As indicated previously, Emily's List did not control the contributions. In short, none of the contributions were earmarked.

The Complaint by the State Republican Party also errs by suggesting that Emily's List exercised "dominion and control" over the contributions. Emily's List did not exercise control over the contributions. It merely provided the Gregoire Campaign with an opportunity to solicit funds from its members. The Gregoire Campaign paid Emily's List for that opportunity.

### D. Emily's List and the Gregoire Campaign Complied With RCW 42.17.640 and Did Not Exceed Campaign Contribution Limits.

For the reasons stated above, neither Emily's List nor the Gregoire Campaign have violated RCW 42.17.730 or 42.17.670. Accordingly, Emily's List and the Gregoire Campaign did not exceed contribution limits under RCW 42.17.640

### II. <u>CONCLUSION</u>

The Gregoire Campaign complied fully with public disclosure laws. Emily's List did not control the funds paid by donors to the Gregoire Campaign. By law, Emily's List is neither an agent, intermediary or conduit for these campaign contributions to the Gregoire Campaign.

To find wrongdoing on behalf of the Gregoire Campaign would require an expansive and unsupported interpretation of RCW 42.17.730 and the statute's "earmarking" provisions. The "intermediary" statute was meant to prohibit non-individual entities, like business corporations and labor unions, from accumulating and exercising power over the financing of campaigns by, for example, extracting checks from their employees and passing them on to a candidate.

Nothing of the kind occurred here. These laws were not intended to prevent campaigns from reaching out to the members of an ideological organization, or from cooperating with others in such an endeavor. Accordingly, the Complaint's allegations are without merit. The Gregoire Campaign paid to solicit contributions from Emily's List members. The Campaign collected the resulting contributions pursuant to a direct agreement with a commercial caging company that serves dozens of clients. Emily's List was not involved in forwarding the contributions to the Gregoire Campaign, and had no control over the decision-making process of any contributor.

The Complaint presents no violation of Washington law. The Commission should dismiss it promptly.

### III. <u>RESPONSES TO SPECIFIC QUESTIONS POSED BY THE</u> <u>PUBLIC DISCLOSURE COMMISSION</u>

TO

People for Chris Gregoire for Governor (the "Gregoire Campaign") provide the following answers in response to the Public Disclosure Commission's questions included in its letter of January 14, 2004. In answering these questions, the Gregoire Campaign incorporates by reference earlier portions of this letter.

1. Your campaign has stated that it made payments to Emily's List. PDC records show that you have made payments to Emily's List totaling \$22,597.11. What were these payments for? Do the payments include the cost of the mailing list that is the property of Emily's List?

Answer. These payments were for the costs of the mailing and associated overhead expenses, including rental of Emily's List mailing list. The Gregoire Campaign has made the following payments to Emily's List for the following purposes:

Amount	Date	Description
\$8,100.00	8/11/03	Mailing and associated costs
\$2,625.00	8/24/03	Mailing and associated costs
\$268.50	10/17/03	Overhead expenses
\$108.04	10/17/03	Overhead expenses
\$10,895.57	10/21/03	Mailing and associated costs
<u>\$600.00</u>	11/24/03	Mailing and associated costs

Total: \$22,597.11

2. Your campaign has stated that it has made payments to Sheads & Associates. PDC records show that you have made payments to Sheads & Associates totaling \$2,156.37. What were these payments for? How was the rate that was charged to the Gregoire Campaign by Sheads & Associates computed? (Flat rate? Cost for per check, etc.?)

Answer: Sheads contracted with the Gregoire Campaign to perform a variety of services, described more fully in the contract between Sheads & Associates and the Gregoire Campaign, attached hereto as Exhibit A. The services provided are those of a "caging" company, including sorting mail and forwarding contributions and summary sheets to the Gregoire Campaign.

3. How did the Gregoire Campaign come to have a relationship with Sheads & Associates?

Answer: Sheads & Associates provides "caging" services to a wide range of campaigns and organizations. Emily's List initially referred the Gregoire Campaign to Sheads & Associates. The Gregoire Campaign concluded that using the services of Sheads & Associates would enable the campaign to carry out its campaign activities efficiently, effectively, and legally in connection with the mailings at issue.

4. Does the Gregoire Campaign have a contract with Sheads & Associates for processing the contribution checks solicited and received through Emily's List on behalf of the Gregoire Campaign? If so, please provide a copy of the contract. Is it your understanding that Sheads & Associates has clients other than the Gregoire Campaign? If so, please describe your understanding of the work done for its other clients.

Answer: See, responses to Questions 2-3 above.

5. Is it your understanding that Sheads & Associates sorts and forwards all checks that are received by Emily's List on behalf of various candidates?

<u>Answer</u>: Beyond the representation set forth above, the Gregoire Campaign is not fully aware of the extent of the work performed by Sheads & Associates for other clients.

6. Is it your understanding that Sheads & Associates processes the contribution checks received on behalf of the Gregoire Campaign in the same manner as they process contribution checks received on behalf of other candidates?

<u>Answer:</u> Beyond the representation set forth above, the Gregoire Campaign is not fully aware of the extent of the work performed by Sheads & Associates for other clients.

7. Has the Gregoire Campaign paid for all its mailings done by Emily's List on behalf of the Gregoire Campaign? If so, did the Gregoire Campaign pay for all of the mailing costs?

TO

Answer: Yes. The Gregoire Campaign has paid Emily's List in advance for all costs of communicating with its members, including all mailing costs.

8. Have all contributions received by the Gregoire Campaign, resulting from an Emily's List mailing, been received by the Gregoire Campaign directly from the contributors? Have any of these contributions been received through a third party? Have any of these contributions been received directly from Emily's List?

Answer: No contributions have been received directly from Emily's List or third parties. All contributions received by the Gregoire Campaign resulting from an Emily's List mailing were received by the Gregoire Campaign directly from Sheads after having been sorted and forwarded by Sheads & Associates.

9. At any time, has the Emily's List website solicited contributions for the Gregoire for Governor Campaign directly to Emily's List and then forwarded the contributions to the Gregoire Campaign?

Answer: To the knowledge of the Gregoire Campaign, Emily's List has not solicited or forwarded contributions through its website to the Gregoire Campaign. While the Gregoire Campaign paid Emily's List to promote the campaign through Emily's List's website, to the knowledge of the Gregoire Campaign, the Emily's List site has consistently included a statement informing the viewer that, pursuant to Washington State law, Emily's List may not collect contributions for the Gregoire Campaign through its website. Emily's List's website also, to the knowledge of the Gregoire Campaign, included a hyperlink to the Gregoire Campaign's website, the fair market value of which the Gregoire Campaign has paid Emily's List, to allow the viewer to make contributions to the Gregoire Campaign directly, through the Gregoire Campaign website.

10. Whose name and address are used on the remit envelopes that were sent to donors for use when sending in contribution checks for the Gregoire Campaign? If Emily's List was used as the name on the remit envelopes, please describe why its name was used?

Answer: The Gregoire Campaign did not preview the remit envelopes that were sent to Emily's List donors in mailings. The Gregoire Campaign is aware that the remit address was a post office box under the name of Emily's List but accessed by Sheads & Associates, who handled, processed, and forwarded contributions. Further, the Gregoire Campaign understands that because Emily's

List paid for the mailings with funds provided in advance by the Gregoire Campaign and other participants in the mailing, it was required to include its name directly on the return envelopes. See, U.S. Postal Service, Domestic Mail Manual, § \$922.5.6

Very truly yours,

TO

Cyrus R. Vance, Jr. Gregory J. Hellon

CRV/GJH:jlg Enclosures

EXHIBIT A

FILE No.028 08/28 '03 09:33

ID:SHEADS AND ASSOCIATES

FAX:3018708731

TO

PAGE 2

Sheads & Associates, Ltd.

PRINCE WILLIAM SQUARE 303 POST OFFICE ROAD, 8LDG. A WALDORF, MARYLAND 20502 (301) 843-2209 FAX (301) 870-8731

### Agreement

This AGREEMENT is entered into by and between The Gregoire Campaign (TGC), and Sheads & Associates, Ltd ("Sheads"), a corporation organized under the laws of the State of Maryland and having its principal office located at Prince William Square, 303 Post Office Rd., Bidg. A, Waldorf, Maryland 20602.

WHEREAS, Sheads has expertise and experience in conducting caging and data entry operations for non-profit and political organizations engaged in fund raising, and

WHEREAS, The Gregoire Campaign (herein referenced as TGC) desires to engage Sheads to perform mail processing and caging services in connection with TGC's direct marketing campaigns;

NOW, THEREFORE, in consideration of the purposes of this agreement and the mutual promises made herein, and in return for good and valuable consideration, the parties agree as follows:

### Paragraph 1. Definitions

As used in the Agreement, the terms listed below shall have the following meanings:

a. <u>Source documents</u>. "Source documents" are the response devices included by TGC in its mail packages, or notes, letters, or other documents that are sent to TGC in response to such packages. Source documents reflect the name and address of the sender, the amount of the contribution, if any, the program under which the solicitation was made (e.g. acquisition, appeal, etc.)

### Paragraph 2. Engagement of Sheads

TGC hereby engages Sheads during the term of this Agreement to conduct mail processing and caging operations in connection with TGC's marketing campaigns, subject to the terms and conditions of this Agreement.

### Paragraph 3. Term of Agreement

This Agreement shall take effect on 09/08/03. Unless earlier terminated, this Agreement shall extend through 11/28/03.

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FAX:3018708731

TO

PAGE

3

### Paragraph 4. Sheads' Mail Processing Responsibilities

- A. Shead's courier(s) will pick up TGC's mail, responses from the Main DC Post Office daily and the following processing functions will be performed:
- Sort white mail (letters) and sponsorship mail (in special BRE) prior to opening direct mail and verify and reconcile BRE ledgers for BRE and First Class Mail;
- Open all envelopes, remove all checks and source documents, compare the amount of checks with the amounts stated on the source documents, and record the amount of the donation (as reflected on each check) on the corresponding source document in red ink.
- 3. Sort all mail into batches of fifty (50) transactions or less, separating all contributions according to Acquisitions, Renewals, Appeals; and further sorting all contributions when requested by TGC according to specific campaigns.
- Prepare an adding tape for each batch of checks and the corresponding source documents for those checks, recording on the tape, clearly and legibly, the total dollar amount contained in the batch and the total number of source documents contained in the batch. Checks will be sent via Federal Express to TGC.
- 5. Prepares a batch header card for each batch, identifying the type of batch (appeals, acquisition, renewal,), etc., the organization name, (TGC) the date the batched documents are to be deposited, the total number of source documents, the total dollar amount contained in the batch, and Sheads' assigned batch identification number.
- 6. Those items containing cash contributions are marked in red; i.e., 5/c counted separately and rechecked by floor supervisor and initialed.
- B. Image all checks and generate printed copies to be forwarded to The Gregoire Campaign.
- Return checks (incomplete or incorrect): a personalized form letter denoting the problem is sent to donor along with a stamped self-addressed envelope, their check and their source document. The source document is stamped "Please return this document with your check". Return checks are sent out within 48 hours of receipt.
- D. Sheads will prepare daily deposit log sheets. The deposit log shall contain the following information for each batch processed that day: Sheads' assigned batch i.d. number, ii) the total number of documents in each batch and the total dollar amount for each batch.

This information will be logged for each of TGC's programs. Sheads shall attach to this deposit log sheet TGC's copy of all deposit slips pertaining to that log sheet which are prepared by Sheads and sent to the Gregoire Campaign. (The Federal Express account number to be used will be provided by the Gregoire Campaign) Sheads shall forward daily, via facsimile, the daily log report

FAX:3018708731

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PAGE 4

### Paragraph 5. Sheads' Caging Responsibilities

For all mail received for TGC, Sheads shall perform the following caging functions:

- a. Reconcile all checks with corresponding source documents;
- b. Total the dollar amounts and number of contributions recorded on the batch log reports;
- c. Verify the total amounts recorded on the daily tally sheet with the total contributions;
- d. Sort contributions according to whether they were received in response to acquisition, appeal, renewal, sustainer, etc. mailings;
- e. Prepare deposit slips for the total contributions recorded on the daily batch log reports;
- g. Send Federal Express all checks and cash to the Gregoire Campaign.

### Paragraph 6. Fees, Costs, and Expenses

In return for Sheads' performance of the mail processing and caging functions described in the Agreement, TGC shall pay Sheads the following amounts:

- a. Thirty cents (\$0.30) for each source document processed by Sheads which is accompanied by a contribution to TGC:
- b. Twelve and one-half cents (\$0.125) for each source document processed by Sheads which is not accompanied by a contribution (hereafter, "non-donor");
- c. Photocopying of checks and/or documents, ten cents (0.10) per copy; Faxes: \$0.10 per fax (not per page);
- d. The sum of (\$12.50) per clerical hour for the following services:
  - 1. Preparation of packages to client:
  - Special reports requested by TGC;
  - 3. Return check processing;
- f. One hundred dollars (\$100.00) per month for courier fees, mail pick up from the D. C. Main Post Office, and delivery of packages to Federal Express.
- B. Out-of-pocket expenses (e.g., long distance charges, shipping expenses, postage) will be invoiced at cost, with appropriate documentation to support such charges.

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ID:SHEADS AND ASSOCIATES

FAX:3018708731

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h. Imaging and storing check images \$0.10 ea.

### Compliance with Laws and Regulations

At all times during the term of contract with each client, Sheads shall comply with the requirements of all applicable Federal, State and Local Laws and Regulations relating or pertaining to Sheads' performance of its obligations under this Agreement.

### Quality Controls, Security, Insurance

In performing its obligations under these procedures, Sheads employs a system of internal quality controls, this system of internal controls shall be sufficient to enable Sheads and clients, consultants, auditors to evaluate the quality of Sheads' services, the accuracy of its financial records, and reasonableness of the cost of processing and caging direct mail and telemarketing contributions.

Sheads maintains an "All Risks" insurance policy protecting Sheads and client from damage due to loss or destruction of (by fire, theft, or otherwise) all mail, contributions, computer reports (including inventory) in Sheads' possession or control. Sheads also maintains adequate fidelity bend and blanket crime bond protection.

### Paragraph 7. Procedures for Payment of Sheads' Invoices

Sheads shall submit monthly invoices for the amounts payable by TGC under Paragraph 6 of this Agreement. Such invoices shall set forth: (1) the number of donor and nondonor transactions processed by Sheads for the preceding month; (2) the number of clerical hours devoted to the functions listed under 6(c); and (3) the out-of-pocket charges. TGC agrees to remit payment within 30 days from date of invoice.

### Paragraph 8. Termination Without Cause

- (a) <u>Termination Without Cause</u>. Either party may terminate this Agreement, with or without cause, by providing the other party with thirty (30) days' prior written notice. In that event, this Agreement shall automatically terminate on the thirtieth (30th) day following that other party's receipt of such written notice.
- (b) Event of Default. Upon the occurrence of an event of default, either party may terminate this Agreement by giving thirty (30) days; prior written notice to the other party of its intent to terminate the Agreement. An "event of default" shall occur if either party fails to perform any of its material obligations under this Agreement. If the defaulting party cures the event of default to the satisfaction of the non-defaulting party within the thirty-day notice period, the Agreement shall not terminate, but shall remain in full force and effect. Notwithstanding any other provision in this Agreement, the rights and obligations of the parties relative to performance under this Agreement prior to default shall not be affected by termination. For purposes of this subparagraph, the failure to object to a party's noncompliance with any of the terms or conditions

FILE No.028 08/28 '03 09:33

ID: SHEADS AND ASSOCIATES

FAX:3018708731

PAGE

of this Agreement shall be limited to that particular instance, and shall not prejudice the other party's right to terminate this Agreement for any subsequent noncompliance.

### Paragraph 9. Notices

- Unless otherwise required all notices or other communications between TGC and Sheads which are required to be in writing under the terms of this Agreement shall be sent by handdelivery, telecopy, by first-class U.S. mail, postage prepaid, or by Federal Express or comparable next day delivery service.
- Sheads shall submit all invoices and reports to: (b)

The Gregoire Campaign PO BOX 2171 Seettle Wa 98111-2771

Expres delivery Address 3417 Fremont Axe N #400 Seattle, WA 99103

(c) TGC shall submit all notices or other communications regarding this Agreement to:

> Sheads & Associates, Ltd. Prince William Square 303 Post Office Road, Bldg. A Waldorf, Maryland 20602

### Paragraph 10. Modifications of Agreement

- All amendments of or modifications or additions to this Agreement must be in writing and signed by authorized representatives of both parties.
- An addendum to contract will be added at a later date for acknowledgments. (a1)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date indicated below.

Philip Llay

Title Tressurer

Fronte for Chris Gungoire, Governor

SHEADS AND ASSOCIATES, LTD.

Date:



100

### 5.0 FORMAT ELEMENTS

### General

All pieces of BRM are subject to these format elements. Pieces of QBRM and bulk weight averaged nonletter-size BRM are subject to additional format standards listed in 7.0 and 9.0, respectively. BRM format elements are shown in Exhibit 5.1.

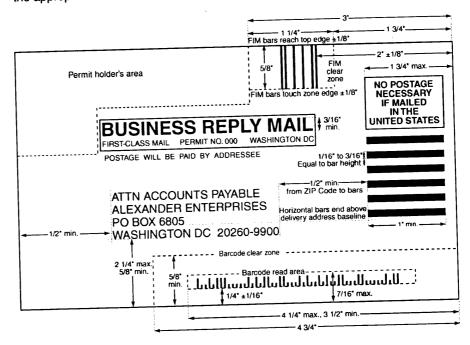
### Printing and Print Reflectance

5.2

5.1

All forms of printing are permissible if legible to the satisfaction of the USPS. Handwriting, typewriting, and handstamping may not be used to prepare BRM. Printed borders are not permitted on letter-size BRM, but are permitted on business reply labels and cartons and envelopes greater than 6-1/8 inches high or 11-1/2 inches long or 1/4 inch thick. All ink colors are acceptable if the piece meets the appropriate reflectance standards in C840.

### Business Reply Mail Format Exhibit 5.1



"No Postage Necessary" Imprint The imprint "NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES" must be printed in the upper right corner of the address side of the piece. The imprint must not extend more than 1-3/4 inches from the right edge of the piece.

Business Reply Legend 5.4 The legend "BUSINESS REPLY MAIL" or "BUSINESS REPLY LABEL," as appropriate, must appear on all pieces. This legend must appear above the address in capital letters at least 3/16 inch high. At the permit holder's discretion, the business reply legend may be surrounded by a rule or border.

Permit Number and Postage Endorsement Directly below the business reply legend, the words "FIRST-CLASS MAIL PERMIT NO. [NO., CITY, STATE]" (representing the permit holder's number and post office that issued the permit) must appear in capital letters. Directly below that, the endorsement "POSTAGE WILL BE PAID BY ADDRESSEE" must appear in capital letters. At the permit holder's discretion, the permit number and postage endorsement may be surrounded by a rule or border.

**Delivery Address** 

5.5

5.6

The complete address (including the permit holder's name, delivery address, city, state, and BRM ZIP Code) must be printed directly on the piece, subject to these conditions:

DMM Issue 58 plus Postal Bulletin changes through PB 22121 (2-5-04)





### **Detailed Expenditures**

The following data may be 'downloaded' to your computer by 'Copying' it, then 'Pasting' it into an Excel spreadsheet

NDIDATE/COMMITTEE	VENDOR	DATE	AMOUNT	DESCRIPTION
EGOIRE CHRISTINE O	SHEADS AND ASSOCIATES	12/11/2003	\$1,308.47	MAIL PROCESSING
EGOIRE CHRISTINE O	SHEADS AND ASSOC	10/07/2003	\$494.70	MAIL PROCESSING
EGOIRE CHRISTINE O	SHEADS AND ASSOCIATES	01/22/2004	\$475.53	MAIL PROCESSING
EGOIRE CHRISTINE O	SHEADS AND ASSOCIATES	10/31/2003	\$353.20	MAIL PROCESSING
al Expenditures for this report: \$2,631.90				

Public Disclosure Commission - 711 Capitol Way #206 - PO Box 40908 Olympia, WA 98504-0908 - (360) 753-1111 - Fax (360) 753-1112 Toll Free - 1-877-601-2828 Privacy Notice Information

### RECEIVED

MAR 1 0 2004

Public Disclosure Commission



607 Fourteenth Street N.W.
Washington, D.C. 20005-2011
PHONE: 202.628.6600
FAX: 202.434.1690
www.perkinscoie.com

March 9, 2004

### BY ELECTRONIC MAIL AND OVERNIGHT DELIVERY

Ms. Suemary Trobaugh Senior Political Finance Specialist Washington Public Disclosure Commission 711 Capitol Way Rm. 206 P.O. Box 40908 Olympia, WA 98504

**Re: PDC** Case No. 04-400

Dear Ms. Trobaugh:

On behalf of EMILY's List, I write in response to your letter dated March 5, 2004, regarding the above-referenced matter. I have attached copies of four e-mails which People for Christine Gregoire for Governor ("the Gregoire campaign") paid EMILY's List to send to its members.

In your March 5 letter, you asked whether contributions to the Gregoire campaign were ever accepted through EMILY's List's web site and, if so, how the monies were processed. While we discussed this matter to some extent in our February 11 and March 2 letters, I nonetheless provide additional information below about the manner in which EMILY's List members were encouraged to contribute to the Gregoire campaign via the Internet.

As we discussed in our March 2 and February 11 letters, EMILY's List did not collect contributions for the Gregoire campaign through its web site. EMILY's List's web site featured a statement informing the viewer that Washington State law does not permit EMILY's List to collect contributions for the Gregoire campaign through its website. EMILY's List's web site provided a link to the Gregoire campaign's web site, through which an individual might contribute directly to the Gregoire campaign. The Gregoire campaign paid EMILY's List for the value of that link.

Ms. Suemary Trobaugh March 9, 2004 Page 2

Thus, for example, an EMILY's List member who received one of the attached e-mails and who clicked on hyperlinked text would have been directed to a page on the EMILY's List web site paid for by the Gregoire campaign and supporting Christine Gregoire's candidacy. To contribute to the Gregoire campaign, that member would have had to click on an additional hyperlink, and would have been directed by that link to the Gregoire campaign's own web site. Once at the Gregoire campaign's web site, the member would have inputted their credit card information and transmitted it directly to the Gregoire campaign, which then would have processed the contribution itself.

I hope this addresses your questions regarding the manner in which EMILY's List members contributed to the Gregoire campaign via the Internet. As before, if you need further information, please do not hesitate to call me directly.

Very truly yours,

Brian G. Svoboda

Counsel to EMILY's List

= MM

Attachments



1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 202.326.1400

FACSIMILE 202.326.1415
WEZSITE WWW.amilyslist.org

RECEIVED

MAR 1 5 2004

TO:

Gregoire for Governor/Christine Gregoire

Public Disclosure Commission

FROM:

EMILY's List

DATE:

July 25, 2003

RE:

CANDIDATE CONTRACT

Attached are the following documents for your review and processing:

- 1. EMILY's List candidate contract signed by EMILY's List
- 2. Bank account paperwork
- 3. Merchant account paperwork
- 2. Donor file specification sheet

You are tentatively scheduled to review the enclosed information with Nancy Eiring, our Deputy Director of Development - Membership & Marketing; and Susan Finkle, our Compliance Coordinator, during the week of July 28, 2003. At that time, you will be informed of the cost of your portion of the candidate mailing.

Also at that time, you will be informed of when the various documents in this package need to be completed and returned to EMILY's List, Attn: Susan Finkle, along with your payment for the mailing.





1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 202.326.1400
FACSIMILE 202.326.1415
WEBSITE WWW.emilyslist.org

RECEIVED

MAR 1 5 2004

July 25, 2003

Public Disclosure Commission

Christine Gregoire Gregoire for Governor 5220 Brassfield Drive SE Olympia, WA 98501

### Dear Christine Gregoire:

I am pleased to notify you officially that EMILY's List will recommend you to our members for campaign contributions. We are excited by this opportunity to elect an effective pro-choice Democratic woman to Governor. We at EMILY's List look forward to working closely with you and your campaign staff as we proceed through our member solicitation process.

We strive for a close and mutually supportive relationship between EMILY's List and our recommended candidates. To be clear about the kinds of things we expect from each other, we have drafted this letter of agreement.

In order to comply with federal regulations, your campaign must pay in advance for the cost of the mailing. Therefore, EMILY's List requires that you pay for your portion of the mailing expenses. Susan Finkle, Compliance Coordinator and Nancy Eiring, our Deputy Development Director - Marketing and Membership, will call you in advance to review the costs of the mailing and discuss when your check must be submitted. At this time, they will explain the process for handling EMILY's List member contributions. After the mailing drops, you and your campaign will have regular conversations with the EMILY's List tracker assigned to your campaign regarding the progress of our fundraising efforts.

In an effort to maximize contributions to your campaign, EMILY's List will feature your profile on our web site and accept credit card contributions to your campaign over the Internet. We will discuss this process and any attendant costs of inclusion on the EMILY's List web site in advance, as well.

EMILY's List is very sensitive to the state and federal reporting needs of each campaign. We will make every effort to ensure that you receive timely and accurate reporting information. We ask only that your campaign provide written notification to EMILY's List of any special filing deadlines, so we can best accommodate your needs for meeting the deadlines.



1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 202.326.1400
FACSIMILE 202.326.1415
WEBSITE WWW.emilyslist.org

Gregoire/Page 2

### I. During the Campaign

A. Mitchell Lester, our political tracker for Washington, will be the primary EMILY's List contact for your campaign. He will be in touch with you on a regular basis.

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MAR 1 5 2004

Public Disclosure Commission

To work most effectively with your campaign, our campaign services department needs to be closely informed of the progress of your campaign. We cannot overemphasize this point.

The information your tracker will need about your campaign includes:

- Press clippings;
- Media spots;
- Updated fundraising plans and budgets (including mailing results);
- Polling data, and;
- Any information you routinely send to PACs, other friendly organizations, etc.

This will help our development and campaign services departments assess the effectiveness of our efforts on your behalf and shape any additional efforts we may make. Of course, we fully appreciate the political need for confidentiality and will protect sensitive information completely.

B. Susan Finkle will speak with the person on your staff in charge of processing checks. Susan will describe the process we follow to deposit conduit checks for your campaign and review any relevant Federal Election Commission and state regulations. She can serve as a resource to your campaign on FEC filing requirements and regulations. Jill Wohrle, our finance and administration assistant, will serve as the contact person for all questions concerning reports you receive from EMILY's List.



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WEBSITE WWW.emilyslist.org

Gregoire/Page 3

II. After the Election

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Our efforts to expand EMILY's List will continue well beyond the 2004 campaign. To help us build the strongest donor network that will support other pro-choice Democratic women candidates in the future, we ask you to agree to the following points.

Public Disclosure Commission

A. The donors of EMILY's List are the sole property of EMILY's List. However, during the 2004 election cycle, we encourage you to regularly resolicit our members via mail. However, we request you do not telephone EMILY's List members directly during the campaign. If possible, you should track and notify EMILY's List of any additional direct contributions made by EMILY's members to your campaign as a result of your resolicitation efforts.

After November 15, 2004, you must suppress all EMILY's List members from your mailing list or your consultants' mailing lists for fundraising purposes. Neither you nor any campaign consultant may use these names in future mailings or trade or sell them to others.

By "EMILY's List member," we mean any donor who has contributed to your campaign as the direct result of an EMILY's List solicitation, regardless of whether that person has also contributed to your campaign as a result of other solicitations. This does not include donors who have contributed to your campaign prior to an EMILY's List mailing.

B. To expand EMILY's List donor network, EMILY's List will be allowed to solicit your donor list six times after November 15, 2004.

By October 15, 2004, or within 30 days following your primary or special election, whichever is applicable, you must generate a computer disk or file for our solicitation purposes which includes all of your contributors and meets the specifications attached to this letter. SaBrina Brown, EMILY's List's Director of Information Technology, can answer any questions you may have concerning the generation or transmission of this data.

We will treat EMILY's List's use of your mailing list as an in-kind contribution to EMILY's List. After each use of your list, you will be forwarded an in-kind contribution notice and will be required to report the contributions to the appropriate state or federal election authorities.



1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 202.326.1400
FACSIMILE 202.326.1415
WEBSITE WWW.emilyslist.org

### Gregoire/Page 4

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MAR 1 5 2004

C. In addition, you will agree to sign at least one EMILY's List direct mail fundraising appeal to our members during the 2006 election cycle.

Public Disclosure Commission

- D. After January 1, 2005, and before the first Tuesday in November 2006, you will agree to make two public appearances for EMILY's List at a time mutually convenient to you and EMILY's List.
- E. In order to fulfill all the obligations outlined above, please identify below the name, address, and phone number of the permanent contact for your campaign, and, if different, the person who will serve as permanent record-keeper, as well as a database/computer contact.

ntact:
Teresa Olson
P.O. Box 2114
Olympia WA
360 570-8990
gogregoire e comcast. net
deposit total, contributor information and weekly transmittal package):
( )
litional staff you would like receive the daily deposit
puter Contact:
Teresa Olson
(30 - 481-3373 (cell)

Page 5 of 6

1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 202.326.1400
FACSIMILE 202.326.1415
WEBSITE WWW.emilyslist.org

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MAR 1 5 2004

Public Disclosure Commission

We look forward to forging a strong partnership with you and your campaign that will result in your election and the continued growth of the EMILY's List donor network.

1/25/23

Joseph Solmonese, Chief of Staff, EMILY's List

I agree to the above terms and conditions.

129/05 Date

Christine Gregoire, Candidate, Washington's Governor

EXHICITS
Page 6 of 6

PDC Interview Susan Finkle March 15, 2004 Page 7 of 34

TROBAUGH:

That's correct.

SVOBODA:

On the first page and the last page is executed by Joe Solomnese on July 25<sup>th</sup> 2003 and by Christine Gregoire on July 29<sup>th</sup> 2003 in

their respective handwritings.

TROBAUGH:

That's correct.

SVOBODA:

Okay. I just wanted to make sure we were talking about the same document since we have not actually seen the one that you have or I mean the precise piece of paper that you have in front of you.

TROBAUGH:

It sounds like these are identical. Okay. So you are familiar with this

contract?

FINKLE:

Yes.

TROBAUGH:

Do you know if this is a standard contract or letter of agreement?

FINKLE:

Yes it is.

TROBAUGH:

It is standard. Okay. Looking at the second page that begins "Dear Christine Gregoire" it states that credit card contributions will be accepted via Emily's List website. Can you tell me if Emily's List ever accepted Internet contributions for the Gregoire campaign?

FINKLE:

We did not.

TROBAUGH:

Okay. Did Emily's List ever accept any kind of contribution for the

Gregoire campaign?

FINKLE:

No.

TROBAUGH:

For instance if someone had mailed it in to the Connecticut Avenue address those weren't forwarded on to the Gregoire campaign or returned to the sender?

FINKLE:

If they did, they would have been returned to the sender.

TROBAUGH:

Okay. But do you have any personal knowledge that that occurred?

FINKLE:

I don't know if that ever occurred. But it was our, we laid down the

policy that that's what would happen if that happened.

PDC Interview Susan Finkle March 15, 2004 Page 9 of 34

SVOBODA:

I was going to observe the last sentence in that paragraph that

seems to indicate that they would discuss that process later also.

FINKLE:

Right. I knew that it was a state campaign so it's not a federal campaign. I worked with Perkins Coie, not necessarily the campaign. I would always just go by what Perkins Coie would tell me what we need to do. I wouldn't take the advice of the campaign.

TROBAUGH:

I see. Okay. Thanks for that clarification. On the next page, on the

upper left hand corner it says "Gregoire/page 2"

FINKLE:

Yes.

TROBAUGH:

There's a reference to polling data. Do you know if the Gregoire

campaign ever transmitted polling data to Emily's List?

FINKLE:

I would have no idea.

TROBAUGH:

Okay. Can you tell me who would?

FINKLE:

Oh I don't know.

TROBAUGH:

Would that be something that Mitchell Lester, the political tracker

for Washington, would be able to answer?

SVOBODA:

I, I, I don't think Mitchell Lester is actually currently employed by the committee. I, whether that's something he would have known at the

time I don't, Susan I guess...

FINKLE:

Yeah.

TROBAUGH:

Do you know what area of Emily's List? What department area?

FINKLE:

Campaign services.

TROBAUGH:

Okay. Great. Okay. Also on this page, Roman numeral one, section b, it says "Susan will describe the process we follow to deposit

conduit checks for your campaign and review any relevant FEC and state regulations." Can you tell me if the process described in

the letter was followed?

FINKLE:

No. Because they were a state campaign you do not deposit any

checks.

TROBAUGH:

Okay. Were changes of letter of agreement or candidate contract,

were they ever formalized in writing?

FINKLE:

No.

TROBAUGH:

Okay. Do you know when the Gregoire campaign was added to

Emily's List website as a recommended candidate?

FINKLE:

I don't know.

TROBAUGH:

Do you know who would coordinate that type of activity?

FINKLE:

Our web coordinator.

TROBAUGH:

Okay and who is that please?

FINKLE:

Barb Parelle.

TROBAUGH:

Mark Parelle?

FINKLE:

Oh I'm sorry Barb.

TROBAUGH:

And the last name again please?

FINKLE:

Parelle.

TROBAUGH:

Okay. Okay are you familiar what the costs associated with

advertising on Emily's List website are?

FINKLE:

No.

TROBAUGH:

When you produced invoices for the Gregoire campaign where

were you getting information from?

FINKLE:

I would get the information from the marketing department and the

web, the would give me how much it was going to cost.

TROBAUGH:

Okay. So are you aware if there was any cost to the Gregoire

campaign for being advertised on the website?

FINKLE:

Yes.

TROBAUGH:

And how are you aware of that?

PDC Interview Susan Finkle March 15, 2004 Page 13 of 34

TROBAUGH: Would it be your belief that its Emily's List that produced that

information?

FINKLE: Yes.

TROBAUGH: Okay. Who typically or what department at Emily's List, you know,

whose designing this information?

FINKLE: Marketing.

TROBAUGH: Okay. Is it your understanding that Emily's List provided a link to

the Gregoire campaign website to collect the credit card

contributions?

SVOBODA: You said collect the Gregoire campaign contributions, you mean,

what precisely do you mean by that Suemary? Because I know that

Susan...

TROBAUGH: Okay, I'll reask. Susan did the Gregoire campaign ever collect

contributions through Emily's List website?

FINKLE: I don't know. I mean...

SVOBODA: Again, I think what's maybe hanging us up is the phrase through

the website. What exactly?

TROBAUGH: Were people able to click and contribute directly through Emily's

List website for the Gregoire campaign?

FINKLE: No they were not.

TROBAUGH: Okay. Is it your understanding that what happened instead was that

the link on Emily's List website took people directly to the Gregoire campaign's website to make their contributions directly through the

Gregoire campaigns website?

FINKLE: Yes.

TROBAUGH: Okay. And how do you know that?

FINKLE: Because I tried it once.

TROBAUGH: Did you? Okay.

PDC Interview Susan Finkle March 15, 2004 Page 29 of 34

TROBAUGH: Okay. Alright, can we do the same for the November 7<sup>th</sup> packet?

And I'm assuming that there's probably an A and B in this as well.

And we're looking at pages 51 through 64.

FINKLE: Okay. The letter 51 through 54 is the cover letter.

TROBAUGH: From Ellen Malcolm.

FINKLE: Then 55 through 56 is profile on everybody. Each candidate gets

one of these. And then 57 and 58 and 59 are all together in that A

packet.

TROBAUGH: Okay.

FINKLE: Then the cover letter and number 60, 61 or, 60 and 61 and then 62

and 63 are, I believe are front and back.

TROBAUGH: Okay. So the A packet what I'm missing here are...

FINKLE: The other candidates.

TROBAUGH: The other candidates. Okay. Thank you. Okay. Do you know if the

Gregoire campaign ever requested that donations be sent to their

PO Box in Olympia?

FINKLE: No, not that I am aware.

TROBAUGH: Okay. And who would be aware of that?

FINKLE: I don't know.

TROBAUGH: Who was working with Emily's List and the Gregoire campaign to

hammer out how contributions were going to be processed?

FINKLE: Could you repeat that? Could you repeat the question?

TROBAUGH: Yeah. I'm just struggling. I'm wondering who on the Gregoire

campaign worked with Emily's List, who on Emily's List, to

determine how contributions were going to be processed?

FINKLE: Well I know that I worked with Perkins Coie to determine how we

should handle it according to state law. We had talked with the

campaign on the call to discuss the contract or the letter of

agreement or whatever you want to call it. I then told them what I

know and how we were going to do it.

TROBAUGH: Okay so the Gregoire campaign deferred to Emily's List on how

contributions were going to be handled?

SVOBODA: I don't think that's what she said.

FINKLE: No. I, I said here's what, this is what we've been advised by our

attorney's on how to process or actually not process the Gregoire

checks and then its up to them.

TROBAUGH: And what was that advice?

SVOBODA: Susan that's something we're, I mean you're free, I mean just to

> kind of instruct Susan or advise Susan she's free to say, I mean that she talked with attorney's but she you know is free to relay the content of attorney advice to Emily's List. I think the original question that Suemary asked if I'm not mistaken was, who on the Gregoire campaign would you or Emily's List have worked with to

discuss the manner of which contributions were processed.

FINKLE: I don't know.

FINKLE:

TROBAUGH: You don't recall who was on the phone with you?

FINKLE: No. Oh no. No.

TROBAUGH: Do you keep phone logs?

TROBAUGH:

What do you mean by a phone log?

When I contact people or when people contact me at the Public

Disclosure Commission I have a phone log that documents ever

single phone call that I've had.

FINKLE: Oh, I don't do that. No.

TROBAUGH: Do you take any notes what so ever on any conversation that you

have?

PDC Interview Susan Finkle March 15, 2004 Page 31 of 34

FINKLE:

Sometimes yes.

TROBAUGH:

Okay. I'd like to request that you check your records to see if you

have any notes from that conversation.

SVOBODA:

Which conversation? Could we be specific about which one we're

talking about here?

TROBAUGH:

The follow up to the letter of agreement with the Gregoire

campaign. You testified it was around July 28th.

FINKLE:

Yeah.

TROBAUGH:

Okay. Can you tell me what your understanding of how

contributions for the Gregoire campaign would be collected and

forwarded by the Emily's List fundraisers?

FINKLE:

Well they wouldn't be forwarded by us.

TROBAUGH:

Do you want to be more descriptive Susan?

FINKLE:

I'm thinking what.

SVOBODA:

Could you rephrase the question?

TROBAUGH:

Please tell me your understanding of how contributions for the

Gregoire campaign would be collected and then forwarded by

Emily's List.

FINKLE:

Well we wouldn't be collecting any contributions for them and we

wouldn't be forwarding any contributions for them.

TROBAUGH:

What was your understanding of how contributions were going to

get to the Gregoire campaign?

FINKLE:

Our members would send in their contributions and then Sheets.

which Gregoire you know, contracted with, would send them on to

Gregoire.

TROBAUGH:

Okay. Are you aware of any other process that Emily's List would

do?

FINKLE:

No.

TROBAUGH:

Concerning those contributions?

FINKLE:

No.

TROBAUGH:

Okay. Was Emily's List tracking contributions that came into the

Gregoire campaign through their September and November

mailers?

FINKLE:

Yes.

TROBAUGH:

Okay. Is it your understanding that Sheets and Associates was putting together summary sheets, batch sheets of contributions that came in and then forwarding a copy of those batch sheets to Emily's List?

Tape 2. Side B

TROBAUGH:

Okay. I'll reask the question. You had said that you were aware that Sheets and Associates was sending a copy of summary sheets detailing what contributions came in and when and I was asking you how were you aware of that?

FINKLE:

Because they sent us a log and I've seen that log.

TROBAUGH:

Okay. Okay. So as compliance coordinator you've testified that your duties include filing the FEC reports, filing some state campaign finance disclosure reports and then working with the candidates on the mailers. Can you please describe to me in what way you work with the candidates on the mailers?

FINKLE:

In general? Like with...

TROBAUGH:

A general over hue is just fine.

FINKLE:

Well I am told who will be in a mailing. I then prepare the letter of agreement and send those off. When we have the phone call with the candidates I am there to explain how we process or not process contributions depending on, depending on if they are a

# PDC Interview Susan Finkle March 15, 2004 Page 33 of 34

federal candidate or if they are a state candidate. I am also the one that invoices the candidates and I make sure that they send back their check, send us their check and if they don't, if they don't pay then I call them up and say you have to pay us by this date and kind of crack the whip.

TROBAUGH:

Okay.

FINKLE:

I don't know. That's about it. I think

TROBAUGH:

Okay. Okay. Do you recall in your July 28<sup>th</sup> conversation with the Gregoire campaign this conversation that you had after the letter of agreement or the candidate contract was sent out, do you recall describing to them that they would have to rent the PO Box?

**SVOBODA**:

Just to keep the record clear I don't know that Susan testified that

the call occurred on July 28th.

TROBAUGH:

Right. On or about. I'm sorry.

FINKLE:

Right. I don't think we discussed the PO Box.

TROBAUGH:

Okay.

FINKLE:

I don't recall.

TROBAUGH:

Okay. That doesn't sound like a standard requirement or a cost that

you would discuss?

FINKLE:

I don't think it normally comes up. I don't know.

TROBAUGH:

Okay. Okay. And you've testified that you received advice from your law firm, Perkins Coie, on how contributions could be collected

by the Gregoire campaign from the Emily's List fundraisers.

SVOBODA:

Is that a question? I'm sorry.

TROBAUGH:

Yeah. I'm sorry, I'm, is it typical for the candidates to have to contract directly with Sheets and Associates? Or was that unique to

the Gregoire campaign?

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Public Disclosure Commission



607 Fourteenth Street N.W.
Washington, D.C. 20005-2011
PHONE: 202.628.6600
FAX: 202.434.1690
www.perkinscoie.com

JUDY L. CORLEY 202/434-1622

February 11, 2004

#### **By Facsimile** (AND OVERNIGHT DELIVERY)

Mr. Philip E. Stutzman Director of Compliance Washington Public Disclosure Commission 711 Capitol Way Rm. 206 P.O. Box 40908 Olympia, WA 98504

Re: PDC Case No. 04-400

Dear Mr. Stutzman:

On behalf of EMILY's List, we write in response to your letter dated January 14, 2004 with regard to the complaint filed by the Washington State Republican Party in the above-referenced matter, and to the questions you pose therein.

EMILY's List concurs with and adopts the response submitted today on behalf of People for Chris Gregoire for Governor ("the Gregoire campaign"). With regard to the questions specifically presented in your letter dated January 14, 2004, EMILY's List submits the answers below.

# Answers to Public Disclosure Commission's Specific Questions

1. EMILY's List received the following payments from the Gregoire campaign for the following purposes:

\$8,100.00	Aug. 11, 2003	Mailing and assoc. costs
\$2,625.00	Aug. 24, 2003	Mailing and assoc. costs
\$268.50	Oct. 17, 2003	Overhead expenses

Page\_\ \_ / 3\_

Mr. Philip E. Stutzman February 11, 2004 Page 2

\$108.04	Oct. 17, 2003	Overhead expenses
\$10,895.57	Oct. 21, 2003	Mailing and assoc. costs
\$600.00	Nov. 24, 2003	Mailing and assoc. costs

The costs of the Gregoire campaign's rental of EMILY's List's mailing list were included in the cost of the mailings.

- 2. Like other political organizations, EMILY's List contracts with Sheads and Associates ("Sheads") for cashiering and data preparation services. Pursuant to the terms of this contract, Sheads receives, sorts, and processes contribution checks and forwards copies of the checks and associated documents to EMILY's List.
- 3. On information and belief, EMILY's List understands that the Gregoire campaign has a contract with Sheads. EMILY's List respectfully refers the Commission to the Gregoire campaign's response for further discussion on this topic.
- 4. EMILY's List referred the Gregoire campaign to Sheads for caging services. EMILY's List otherwise respectfully refers the Commission to the Gregoire campaign's response for further discussion on this topic.
- 5. On information and belief, EMILY's List understands that Sheads has a wide range of political and nonprofit clients to whom it provides caging services similar to those it provides to EMILY's List.
- 6. EMILY's List is not fully aware of the extent or manner of the work Sheads does for other clients.
- 7. The Gregoire campaign paid EMILY's List in full and in advance for its share of the costs of the mailings done by EMILY's List on its behalf. EMILY's List respectfully refers the Commission to the Gregoire campaign's response for further discussion on this topic.
- 8. On information and belief, EMILY's List understands that all contributions sent to the Gregoire campaign in response to the mailings were received and processed by Sheads and forwarded to the Gregoire campaign. EMILY's List did not transmit

Mr. Philip E. Stutzman February 11, 2004 Page 3

any contributions to the Gregoire campaign. EMILY's List otherwise respectfully refers the Commission to the Gregoire campaign's response for its answer to this question.

- 9. EMILY's List has never solicited or forwarded contributions for the Gregoire campaign through its website. The Gregoire campaign has paid EMILY's List a fee for promotion on EMILY's List's website. The website has at all times featured a statement informing the viewer that Washington State law does not permit EMILY's List to collect contributions to the Gregoire campaign through its website. In consideration for this fee, EMILY's List also includes a hyperlink on its website to the Gregoire campaign's website, where a viewer may make contributions directly to the Gregoire campaign.
- 10. EMILY's List's name and address appeared on the business reply envelopes included in the mailings. Because EMILY's List used its mailing permit to effect the mailings, it understood that it was required to include its name and address directly on the return envelopes. See U.S. Postal Service, Direct Mail Manual, § S922.5.6.

Please do not hesitate to call us should you have further questions.

Very truly yours,

Judith L. Corley

Brian G. Svoboda Rebecca H. Gordon

Counsel to EMILY's List

# BEFORE THE WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION

Case No. 04-400

#### **Joseph Solmonese**

#### **RESPONSE TO INTERROGATORIES**

I, Joseph Solmonese, do depose and state as follows:

I am the Chief of Staff of EMILY's List. I have worked for EMILY's List since the summer of 1993. I have served as Chief of Staff since 1999. Through this position, I have supervisory authority over the day-to-day operations of EMILY's List and am familiar with the matters discussed herein. In response to the Commission's Interrogatories dated March 15, 2004, I submit the responses below.

1. How did Christine Gregoire become one of EMILY's List's "Recommended Candidates?" Did she seek this designation? Did any member of her campaign initiate contact with EMILY's List?

Response: Each election cycle, EMILY's List decides to recommend a certain number of candidates for federal and state office. After EMILY's List learned that Governor Gary Locke would not seek re-election, it began its normal process for recommending candidates in the 2004 Washington gubernatorial election. During that process, EMILY's List sent a questionnaire to Christine Gregoire. Based on her responses to that questionnaire, and based on other knowledge of her, EMILY's List recommended her candidacy. This process was initiated by EMILY's List.

[/DA040780057.DOC]

3/22/04

2. When did Ms. Gregoire become a recommended candidate? Who at EMILY's List communicated this designation to the campaign?

**Response:** EMILY's List officially endorsed Christine Gregoire on July 30, 2003. This decision was communicated to the campaign by me in a letter dated July 25, 2003.

3. What are the benefits associated with the recommended status?

**Response:** Through its various fundraising methods, but in particular in its periodic mailings and on its web site, EMILY's List urges its members to make contributions to recommended candidates.

4. Are there different fundraising services that EMILY's List offers to the recommended candidates?

**Response:** EMILY's List makes direct mail, Internet fundraising and telemarketing services available to recommended candidates. Recommended candidates pay for these services as appropriate.

5. Who is able to have access to EMILY's List's membership data?

**Response:** EMILY's List provides limited access to the use of its membership data to recommended candidates. On some occasions, EMILY's List shares data with organizations whose objectives are similar to its own.

6. How many EMILY's List members are there?

**Response:** EMILY's List has approximately 74,000 members.

7. Is the July 25, 2003 letter of agreement sent to Christine Gregoire a standard candidate contract?

**Response:** The July 25, 2003, letter of agreement was based on similar letters sent to candidates in jurisdictions other than Washington State.

8. In the July 25<sup>th</sup> letter, it states that credit card contributions will be accepted via EMILY's List web site. Did EMILY's List ever accept Internet contributions for the Gregoire Campaign? Did EMILY's List ever accept contributions to the Gregoire Campaign?

**Response:** EMILY's List did not accept contributions for the Gregoire campaign.

9. Did the Gregoire Campaign ever transmit polling data to EMILY's List?

**Response:** On information and belief, the Gregoire campaign did not transmit polling data to EMILY's List.

10. Were changes to the July 25th letter ever formalized in writing?

**Response:** There are no written amendments to the July 25<sup>th</sup> letter.

11. When was the Gregoire Campaign added to EMILY's List web site as a recommended candidate? Who coordinated this activity?

**Response:** EMILY's List published its recommendation of Christine Gregoire on its web site on September 3, 2003. This publication was coordinated by Barb Perell, web manager of EMILY's List.

12. What are the costs associated with advertising on EMILY's List web site? (Development, design, maintenance, ISP hosting) Is this a monthly bill?

Response: EMILY's List maintains a web site as a normal part of its operating expenses. It pays \$5,000 per month to Mindshare Internet Strategies for maintenance, hosting and general consulting.

13. Did the Gregoire campaign pay EMILY's List fair market value for the advertising on EMILY's List web site?

Response: Through payments made in connection with the September 5<sup>th</sup> and November 7<sup>th</sup> mailings, the Gregoire Campaign paid for copy posted on the EMILY's List web site, and for administrative costs associated with the publicity. It was EMILY's List's normal practice to charge fair market value for these services. EMILY's List did not deviate from that practice with respect to the Gregoire campaign.

14. Who wrote the Gregoire Campaign's information included on EMILY's List web site?

Response: The information published on EMILY's List's web site pertaining to Christine Gregoire was written by Paul Bennett, a copywriter engaged by EMILY's List as a consultant with regard to its mailings generally; and Jeanne Duncan, a senior writer employed by EMILY's List.

15. Did the Gregoire Campaign ever collect contributions through the EMILY's List site? Did EMILY's List provide a link to the Gregoire Campaign web site to collect credit card contributions?

-4-

**Response:** EMILY's List provided a hyperlink to the Gregoire Campaign web site, for which the Gregoire Campaign paid. A visitor to the EMILY's List web site who wished to contribute to the Gregoire Campaign would have had to click on the hyperlink to the Gregoire Campaign web site, and provide his or her credit card information to the Gregoire Campaign.

16. How much did the Gregoire Campaign pay to be advertised on the web site? What were these payments for?

Response: The Gregoire Campaign paid \$108.04 for the cost of the hyperlink placed on the EMILY's List web site during the period September 2003 through December 2003. Through payments made in connection with the September 5th and November 7<sup>th</sup> mailings, the Gregoire Campaign paid for copy posted on the EMILY's List web site.

17. Did the Gregoire campaign pay EMILY's List fair market value to be advertised on their web site?

**Response:** See response to Interrogatory 13 above.

18. Who were the people from EMILY's List and the Gregoire Campaign that coordinated the September 3, October 9, November 6, and December 4, 2003 e-mail solicitations?

Response: The above-referenced e-mail solicitations were prepared by Barb Perell.

19. How much did the Gregoire Campaign pay for the four e-mail solicitations? What were these payments for? How much did the Gregoire Campaign pay for renting the membership list?

[/DA040780057.DOC] -5- 3/22/04

Response: The Gregoire Campaign paid \$1,249.42 for the four e-mail solicitations. As part of its payments for the September 5<sup>th</sup> and November 7<sup>th</sup> mailings, the Gregoire campaign paid a total of \$1,306.94 to use EMILY's List's mailing list.

20. Did the Gregoire Campaign pay for its pro-rata share for the four e-mail solicitations? How do you know this?

Response: It was EMILY's List's normal practice to apportion the cost of e-mail solicitations among the benefiting candidates. EMILY's List did not deviate from that practice in these instances.

21. How many e-mail addresses received the four e-mail solicitations? Did EMILY's List track how much was raised from the e-mail solicitations?

**Response:** The four e-mail solicitations were received by 17,377, 17,900, 21,249 and 21,270 addresses, respectively. EMILY's List had no independent means of tracking how much the Gregoire Campaign raised through these solicitations.

22. Who were the people from EMILY's List and the Gregoire Campaign that coordinated the September 5<sup>th</sup> mailer? Did these same people work on the November 7<sup>th</sup> mailer?

Response: As EMILY's List's deputy development director for marketing and membership, Nancy Eiring served as the point person for arranging the logistics of the two mailings. Individuals associated with the Gregoire Campaign contacted in connection with the two mailings may have included Tracy Newman and Gayatri Eassey.

3/22/04

23. How much did the Gregoire Campaign pay for the September 5<sup>th</sup> mailer? Please provide a breakdown of costs for design, printing, postage, renting of the membership list, renting the PO Box, etc.

**Response:** The Gregoire Campaign paid \$10,725 for the September 5<sup>th</sup> mailer. A breakdown of the costs, which included other services to be provided by EMILY's List, was as follows:

Сору	916.67
Design	250.00
Postage	4,268.97
9X12	391.50
BRE	231.61
Letter	330.37
Reply	185.50
Long Profile	1,479.66
DP	40.86
Programming	12.50
Set-Up	33.33
Laser Letter	302.32
Laser Reply	269.64
Inkjet Carriers	89.88
Mailshop	1,101.06
EL List Rental	612.81
Administrative	100.00
E-mail	108.33

24. Did the Gregoire Campaign rent the PO Box for the September 5<sup>th</sup> mailer? Please provide a breakdown of how much that cost.

Response: The Gregoire Campaign paid EMILY's List for the use of the post office box for the September 5<sup>th</sup> and November 7<sup>th</sup> mailings. EMILY's List estimated the value of the post office box use to be a total of \$29.77. It calculated this amount by determining its own monthly costs associated with the post office box, and attributing those costs among the participating candidates during the time period of the mailings. The \$100 administrative fee paid by the Gregoire Campaign in connection with the September 5<sup>th</sup> mailer encompassed these expenses.

25. How much did the Gregoire Campaign pay for the November 7<sup>th</sup> mailer? Please provide a breakdown of costs for design, printing, postage, renting of the membership list, renting the PO Box, etc.

**Response:** The Gregoire Campaign paid \$10,895.58 for the November 7<sup>th</sup> mailer. A breakdown of the costs, which included other services to be provided by EMILY's List, was as follows:

Сору	750.00
Design	250.00
Postage	4,649.05
9X12	289.84
BRE	166.00
Letter	318.15
Reply	244.62
Long Profile	1,106.73
DP	46.28

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Programming	12.50
Set-Up	33.33
Laser Letter	342.44
Laser Reply	305.42
Inkjet Carriers	101.81
Mailshop	1,260.30
EL List Rental	694.13
E-mail	325.00

26. Did the Gregoire Campaign rent the PO Box for the November 7<sup>th</sup> mailer? Please provide a breakdown of how much that cost.

**Response:** See the response to Interrogatory 24 above.

27. Does the Gregoire Campaign know the breakdown of costs for design, printing, postage, and renting of the membership list for either the September or November mailer?

**Response:** EMILY's List provided invoices to the Gregoire Campaign for the costs described in response to Interrogatories 23 and 25 above. These invoices presented some, although not all, of the detail set forth in response to Interrogatories 23 and 25 above.

28. Did the Gregoire Campaign pay for its pro-rata share for the September and November mailers? How do you know this?

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**Response:** It was EMILY's List's normal practice to apportion the cost of its mailings among the benefiting candidates. EMILY's List did not deviate from that practice in these instances.

29. Did the Gregoire campaign pay EMILY's List fair market value for these two mailers? How do you know this?

**Response:** See the response to Interrogatory 28 above.

30. Did EMILY's List use sub vendors to produce and distribute the September or November mailer? Please list all sub vendors used and the payments made per mailer.

Response: EMILY's List used Paul Bennett for Copy; SQN Communications for Design; Mindshare Internet Campaigns for E-Mail; and Production Solutions for all other costs save List Rental and Administrative; in amounts corresponding with the figures presented in response to Interrogatories 23 and 25 above.

-10-

31. Did the Gregoire Campaign provide their own text for their portion of the advertising in the September 5<sup>th</sup> and November 7<sup>th</sup> mailer?

Response: No.

Joe Solmonese

DISTRICT OF COLUMBIA

SUBSCRIBED AND SWORN to before me this 23nd day of March, 2004.

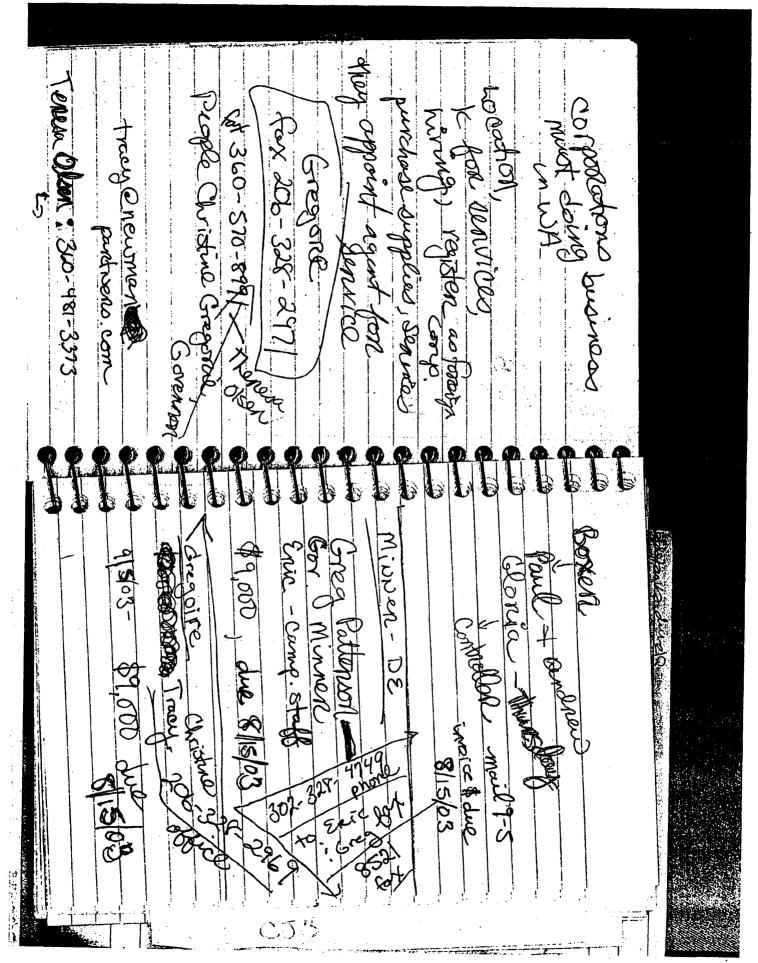
Notary Public

My Commission Expires:

Edna Yvonne Romero Notary Public, District of Columbia My Commission Expires 09-30-2006

[/DA040780057.DOC]

-11-



Page 12 of 12



607 Fourteenth Street N.W. Washington, D.C. 20005-2011 PHONE: 202.628.6600 FAX: 202.434.1690 www.perkinscoie.com

March 2, 2004

# By Electronic Mail and Overnight Delivery

Ms. Suemary Trobaugh Senior Political Finance Specialist Washington Public Disclosure Commission 711 Capitol Way Rm. 206 P.O. Box 40908 Olympia, WA 98504

PDC Case No. 04-400 Re:

Dear Ms. Trobaugh:

On behalf of EMILY's List, we write in response to your letter dated February 24, 2004 with regard to the complaint filed by the Washington State Republican Party in the above-referenced matter, and to the questions and requests you pose therein.

We are providing with this letter a number of documents, including: a) copies of the two EMILY's List mailings in which People for Chris Gregoire ("the Gregoire campaign") participated; b) invoices EMILY's List issued to the Gregoire campaign for these mailings and associated costs; and c) copies of checks and check stubs retained by EMILY's List documenting the Gregoire campaign's payment of these charges. Please note that the \$600 payment the Gregoire campaign made to EMILY's List on November 24, 2003 was for postage and mailing list rental related to an invitation that EMILY's List mailed for the Gregoire campaign. These invitations were produced by the Gregoire campaign and EMILY's List simply posted and mailed the invitations. EMILY's List issued no formal written invoice for these charges.

As we discussed in our February 11 letter, EMILY's List did not collect contributions for the Gregoire campaign through its website. EMILY's List's website featured a statement informing the viewer that Washington State law does not permit EMILY's List to collect contributions for the Gregoire campaign through its website. EMILY's List's website provided a link to the Gregoire campaign's website, through which an individual might

RECEIVED

MAR 0 3 2004

Public Disclosure Commission

Ms. Suemary Trobaugh March 2, 2004 Page 2

contribute directly to the Gregoire campaign. The Gregoire campaign paid EMILY's List for the value of that link.

Please do not hesitate to call us should you have further questions.

Very truly yours,

Judith L. Corley

Brian G. Svoboda

Rebecca H. Gordon

Counsel to EMILY's List

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FEB 0 9 2004

**Public Disclosure Commission** 

February 9, 2004

Phillip E. Stutzman Director of Compliance 711 Capitol Way, Rm 206 PO Box 40908 Olympia, WA 98504-0908

#### Dear Mr. Stutzman:

The following answers are in response to your questions regarding "Complaint Filed Against People for Chris Gregoire for Governor" (PDC Case No. 04-400) and Emily's List (PDC Case no 04-401):

- (Q) 1. Does Emily's List have a contract with Sheads & Associates for processing contribution checks solicited and received on behalf of various candidates? If so, please describe what Sheads & Associates is contracted to do for Emily's List.
- (A) 1. Yes, Sheads & Associates, LTD. does have a contract with Emily's List for precessing candidate checks. Please see attached Processing Procedures.
- (Q) 2. Does the Gregoire Campaign have a contract with Sheads & Associates? If so, please describe what Sheads & Associates is contracted to do for the Gregoire Campaign.
- (A) 2. Sheads & Associates, LTD. does have a contract with the Gregoire Campaign. Please see attached contract which will also describe the processing procedures.
- (Q) 3. Does Sheads & Associates have clients other than Gregoire Campaign and Emily's list? If so, please describe what Sheads & Associates is contracted to do for these clients.
- (A) 3. Yes, Sheads & Associates, LTD. does have other clients; the majority of which are non-profit organizations. Please see attached for the processing procedures.
- (Q) 4. Does Sheads & Associates process the contributions checks received on behalf of the Gregoire Campaign in the same manner as the process contribution checks received on behalf of other candidates?
- (A) 4. Yes.
- (Q) 5. How did the Gregoire Campaign come to have a relationship with Sheads & Associates?

- (A) 5. Emily's List asked Sheads & Associates, LTD. if they would provide Gregoire Campaign with a contract and process their returns.
- (Q) 6. How were the contribution checks that were received as a result of mailings by Emily's Lists, on behalf of Gregoire Campaign, handled and processed? Were the contributions received by Sheads & Associates forwarded to the Gregoire Campaign? To your knowledge, have any contributions been received by Emily's List and forwarded by Emily's List directly to the Gregoire Campaign?
- (A) 6. The contributions for the Gregoire Campaign were received through the post office box rented under Emily's List as is with all candidate mailings (Please refer to Postal Regulation 5922.5.6).

The contributions that were received on behalf of the Gregoire Campaign were forwarded via Federal Express (using the Gregoire Campaign's Federal Express Number) directly to the Gregoire Campaign.

To our knowledge, Emily's List did not receive any contributions for the Gregoire Campaign.

- (Q) 7. Whose name and address were used ton the remit envelopes that were used by donors when sending in contributions for the Gregoire Campaign? If Emily's List was used as the name on the remit envelopes, why was it's name used?
- (A) 7. Emily's List name and Post Office Box was used as is with all candidates mailings. Emily's List mailings contain several candidates on each reply device, and the contributor checks off, on these reply devices, which candidate and how much they are contributing to each one. The contributor writes a separate check for each candidate. In this respect, it would be difficult to open a separate box for each candidate.

I hope the above responses helps clarify any questions you may have.

Very Truly Yours,

Pat Reed

President, Sheads & Associates, LTD

Sheads & Associates
Prince William Square
303 Post Office Road
Waldorf, MD 20602
E-mail: info@sheads-associates.com

REQUEST FOR PROPOSAL (RFP)

#### Background

Sheads & Associates is a caging/lockbox corporation established in 1987 by the late Thelma Sheads, formerly of Craver, Mathew, Smith Company. Sheads started out as a four-way partnership and was incorporated in February, 1989. Today, two of the original partners remain with Sheads--Pat Reed, President and Joan DeLancey, Vice President.

Mrs. Sheads had the privilege of working with many well known and dedicated CEO's of the direct mail family who inspired her into establishing Sheads & Associates.

Sheads has a staff of 40 (80% of which are females) and many of whom have been with Sheads since its inception. We occupy a space of approximately 8,000 square feet in addition to an off site storage area.

# Philosophy

Treat every client as if they were our only client; know our clients and the cause they represent; respond to all questions immediately in a pleasant, respectful, and professional manner; and go beyond expectations to provide each client with accurate and timely information.

#### **Goals**

To provide the most up-to-date technology to all of our clients in an effort to lower their costs, provide daily critical response information to their mailings and to continue to grow.

## Security

We know that security is a major concern to all organizations; therefore, that has always been our first priority. To secure our clients mail, Sheads has done the following:

1. All mail processing areas are video taped and the tapes are retained for 30 days, and there are also security mirrors in the mail processing areas;

- 2. An internal and external security system is installed in all four buildings and storage site with 24 hour surveillance;
- 3. There is a supervisor assigned to all mail processing areas who maintains up-to-date information on all clients;
- 4. Clients are assigned to a team of two service representatives, and one of the two team members is rotated every 3 to 6 months.
- 5. All personal items are secured in lockers before entering any mail processing area;
- 6. All staff undergo a complete security check before they are hired and are fully bonded. Couriers are Sheads' staff and are also bonded;
- 7. All money bags are secured in Mosler safes within a secured fire proof room with separate combinations. Only the two shareholders and two caging supervisors have access to the safes.
- 8. All team members are required to initial off on their deposit tickets and batch logs and are then verified and initialed by the second supervisor who then secures the deposits in the safe.
- 9. Trash is checked each day, and all staff with the exception of one supervisor, remains in the mail processing area during breaks and lunch;
- 10. Cash is seeded and checked on a daily basis, and
- 11. Each staff member is given a code to enter the building and clock in and proceed immediately to their lockers. If an employee leaves Sheads' employment, all access codes are changed.

ACRINSF (Shis is currently in the testing Stage)

Electronic check processing ability reduces check handling and clearing costs; reduces the number of NSF and fraudulent checks; reduces high banking fees, produces faster reconciliation, settlement and deposit times; generates faster concentration of funds; and improves cash flow. How this works is we would enter the client's checking account information into the software, then scan or enter the information manually or by importing an ASCII comma delimited text file into the software. The software communicates electronically through the banking system, automatically debiting the donor's bank account and crediting the client's account—all within 24 to 48 hours. However, this service would only be cost effective for high volume clients.

CAGING/ LOCKBOX: All cashiers work in teams and are assigned specific clients. Mail is processed and donations deposited within 24 hours. Returns are sorted, counted and opened on RV-001 remittance extractors, which also electronically counts the mail, Pitney Bowes 1250 Mail Openers or by hand. The checks are visually viewed for accuracy and the dollar amounts are written in red in the right upper hand corner of the source document. If cash is received, the team member writes in red the dollar amount, then a slash then a "C". Cash is copied and the copy given to the supervisor. The supervisor, when checking the deposit looks for the serial numbers on the cash turned in, then initials the deposit slip. Flag codes are written directly on the device next to the name and address. Name/address changes written on the device are highlighted or circled in red. Monetary returns are batched in groups of 25 or 50 as per the specifications of the client. Non-monetary returns such as petitions/surveys are sorted, batched and trayed either to be keyed, delivered to a specified storage or returned to the client via UPS. Non-monetary returns requiring a change to the data base; i.e., deletion, change of address, etc. are batched with element change cards for keying. All comment mail is visually viewed, flag codes, names and addresses, if available, and (\$) or (no \$) and the date of deposit written in. If the name and/or address is incorrect on the source device, the corrections will be written in for data entry to key the change.

The team will run a tape on the source devices and complete a log and header cards on all batches delineating the name of client, deposit date, batch number, dollar amount and special notations if necessary. Cash is counted for each batch and a second tape is generated for the cash and separated from the check amount. This tape is used by the proof operator to reconcile the total dollar amount in each batch.

TRACKING REPORTS: A computerized tracking report is generated denoting campaign, mail type, source code, dollar amount, piece count, average gift and high dollar for each daily deposit. These reports are faxed to clients/consultants daily, if requested. A year-to-date cum report is generated at the end of each week and faxed to the client, if requested.

DATA ENTRY: Data entry is processed on International Software System Data Entry and transmit SMART PACKAGE software. The data is backed up on ArcServe-It for Net Ware with an ArcServe-it Changer and Open Files which backs up data files while the system is running. Sheads would require a file format layout to configure our files to be imported into client's system. The ISS SMART package software is compatible with most data base programs; however, we can customize our software to meet most client's needs, or download your program to our system.

CHECK IMAGING: Checks are imaged and are either downloaded to a disk, hard copies printed out or stored on the server for  $60^\circ$  days.

HAND ACKNOWLEDGMENTS: Client provides the cards, envelopes and postage. Dollar amount is written on cards, inserted in envelope, hand addressed, stamped and mailed within 24-48 hours of the deposit.

<u>COMPUTERIZED ACKNOWLEDGMENTS</u>: Low volume (500 to 1,000 per week) computerized acknowledgments are downloaded from data base, printed, inserted in envelopes, stamped and mailed within time frames specified by clients. Stationary, envelopes and postage supplied by client.

**RETURN CHECKS/CHARGES:** Incorrect/incomplete checks and charges are returned to the donor with a personalized form device and a stamped pre-addressed envelope included for the donor's convenience. These are sent out within 24- 48 hours of receipt.

CREDIT CARD CHARGES: We process Visa, MasterCard, American Express, Discover, etc. with automatic draft capture into clients' existing local bank account. Names, addresses, source codes and zip codes are keyed for each transaction. Our software supports over 80 major card processing networks allowing access to 99% of all U.S. banks. All transaction data is stored electronically for up to one year. This allows flexibility and reporting options and will match totals with your monthly bank statements. Reporting includes number of transactions, average transaction amount, month-to-date and year-to-date, summaries, category totals, etc. All transaction data is stored in ASCII Comma/Quote delimited files. Monthly, quarterly, and annual sustainer donors can by billed automatically to the credit card they specify.

STAMPED BRE REFUNDS: Stamped BRE's are sorted by clients' Post Office Boxes (if more than one) counted, batched, form PS 3533 filled out, trays labeled and taken to the Brentwood Post Office by our couriers. Our couriers wait for the Post Office to stamp each PS3533 to verify receipt of the stamped BRE's and bring these copies back to the supervisor. If the BRE refund is sent through clients Post Office Box, the team will do a separate deposit ticket and log, clearly marking "BRE refund" and deposit into client's account; otherwise the Post Office directly deposits the refund into the client's BRE account, and the team updates the client's BRE ledger.

MONITORING BRMS ACCOUNTS: Sheads, if requested by client, will open First Class and/or Business reply boxes at the Brentwood Post Office and obtain bar films. We will also submit the paperwork to obtain the reduced BRMS rate and monitor the 3611's to assure clients are receiving the reduced rate. The daily mail returns are picked up by our bonded couriers every morning at the Brentwood Main Post Office in addition to having direct mail received at our office via UPS, Federal Express, Airborne Express, USPS, etc.

Clients business reply and postage due accounts are monitored by each team assigned to specific accounts. In addition to this, the supervisor maintains a master list of all clients, amounts and due dates. Clients' account balances are viewed daily and reconciled immediately with the Post Office if there is a discrepancy. Clients are notified 30 days (60 days for Government) before the renewal dates to remind them of the amount and due dates of their postal fees. A postal ledger sheet is maintained daily and faxed to the client at the end of the month to show the daily activity of their postal account if the clients is interested in reviewing this report. Clients are notified by fax or e-mailed when their BRE account reaches their specified low balance. We request our clients to make their company checks out to USPS and our couriers will hand carry the checks to the main Post Office, and obtain receipts for the teams.

TEAM WORK: Each client is assigned a team consisting of two staff who maintain an updated file on each of their clients' requirements. In addition to this, there is a master file on all clients that is maintained by the supervisors and updated when any changes occur. The team members are always available to answer any questions the client/consultant may have. The floor supervisors cross check each team's deposit log/deposit ticket and initial before securing the deposit in the safe until it is taken to the bank the following morning. The couriers wait at each bank for the bank receipts and bring the receipts back to the supervisors who staple the receipts to that day's deposit log and place in client's comment mail.

**DEPOSITS:** Daily deposits are made throughout Maryland and D.C. by Sheads' bonded couriers. Our couriers wait for the receipts at the teller's window and bring them back to the supervisor the same day. Out of State clients open accounts at Banks of America or Sun Trust and either wire transfer or write checks against the account. We prefer not to ship deposits to clients since there is no way to insure a deposit (checks and cash are considered paper and can only be insured up to \$100.00).

**READING BAR CODES:** To scan key lines the source document's keyline should by printed as follows: The font must be OCR-A 10 pitch (10 characters per inch width and 6 lines per inch height).



PRINCE WILLIAM SQUARE 303 POST OFFICE ROAD, BLDG. A WALDORF, MARYLAND 20602 (301) 843-2209 FAX (301) 870-8731

#### Agreement

This AGREEMENT is entered into by and between The Gregoire Campaign (TGC), and Sheads & Associates, Ltd ("Sheads"), a corporation organized under the laws of the State of Maryland and having its principal office located at Prince William Square, 303 Post Office Rd., Bldg. A, Waldorf, Maryland 20602.

WHEREAS, Sheads has expertise and experience in conducting caging and data entry operations for non-profit and political organizations engaged in fund raising; and

WHEREAS, The Gregoire Campaign (herein referenced as TGC) desires to engage Sheads to perform mail processing and caging services in connection with TGC's direct marketing campaigns;

NOW, THEREFORE, in consideration of the purposes of this agreement and the mutual promises made herein, and in return for good and valuable consideration, the parties agree as follows:

# Paragraph 1. Definitions

As used in the Agreement, the terms listed below shall have the following meanings:

a. <u>Source documents</u>. "Source documents" are the response devices included by TGC in its mail packages, or notes, letters, or other documents that are sent to TGC in response to such packages. Source documents reflect the name and address of the sender, the amount of the contribution, if any, the program under which the solicitation was made (e.g. acquisition, appeal, etc.)

# Paragraph 2. Engagement of Sheads

TGC hereby engages Sheads during the term of this Agreement to conduct mail processing and caging operations in connection with TGC's marketing campaigns, subject to the terms and conditions of this Agreement.

# Paragraph 3. Term of Agreement

This Agreement shall take effect on 09/08/03. Unless earlier terminated, this Agreement shall extend through 11/28/03.

#### Paragraph 4. Sheads' Mail Processing Responsibilities

- A. Shead's courier(s) will pick up TGC's mail, responses from the Main DC Post Office daily and the following processing functions will be performed:
- 1. Sort white mail (letters) and sponsorship mail (in special BRE) prior to opening direct mail and verify and reconcile BRE ledgers for BRE and First Class Mail;
- 2. Open all envelopes, remove all checks and source documents, compare the amount of checks with the amounts stated on the source documents, and record the amount of the donation (as reflected on each check) on the corresponding source document in red ink.
- 3. Sort all mail into batches of fifty (50) transactions or less, separating all contributions according to Acquisitions, Renewals, Appeals; and further sorting all contributions when requested by TGC according to specific campaigns.
- Prepare an adding tape for each batch of checks and the corresponding source documents for those checks, recording on the tape, clearly and legibly, the total dollar amount contained in the batch and the total number of source documents contained in the batch. Checks will be sent via Federal Express to TGC.
- Prepares a batch header card for each batch, identifying the type of batch (appeals, acquisition, renewal,), etc., the organization name, (TGC) the date the batched documents are to be deposited, the total number of source documents, the total dollar amount contained in the batch, and Sheads' assigned batch identification number.
- 6. Those items containing cash contributions are marked in red; i.e., 5/c counted separately and rechecked by floor supervisor and initialed.
- B. Image all checks and generate printed copies to be forwarded to The Gregoire Campaign.
- C. Return checks (incomplete or incorrect): a personalized form letter denoting the problem is sent to donor along with a stamped self-addressed envelope, their check and their source document. The source document is stamped "Please return this document with your check". Return checks are sent out within 48 hours of receipt.
- D. Sheads will prepare daily deposit log sheets. The deposit log shall contain the following information for each batch processed that day: Sheads' assigned batch i.d. number, ii) the total number of documents in each batch and the total dollar amount for each batch.

This information will be logged for each of TGC's programs. Sheads shall attach to this declared TGC's	enosit
log sheet TGC's copy of all deposit slips pertaining to that log sheet which are prepared by	Sheads
and sent to the Gregoire Campaign. (The Federal Express account number to be used will)	he
provided by the Gregoire Campaign) Sheads shall forward daily, via facsimile, the daily log	report
to and	roport

# Paragraph 5. Sheads' Caging Responsibilities

For all mail received for TGC, Sheads shall perform the following caging functions:

- Reconcile all checks with corresponding source documents; a.
- Total the dollar amounts and number of contributions recorded on the batch log reports; b.
- Verify the total amounts recorded on the daily tally sheet with the total contributions; C.
- d. Sort contributions according to whether they were received in response to acquisition, appeal, renewal, sustainer, etc. mailings:
- Prepare deposit slips for the total contributions recorded on the daily batch log reports, €.
- Send Federal Express all checks and cash to the Gregoire Campaign. 2.

# Paragraph 6. Fees, Costs, and Expenses

In return for Sheads' performance of the mail processing and caging functions described in the Agreement, TGC shall pay Sheads the following amounts:

- Thirty cents (\$0.30) for each source document processed by Sheads which is accompanied by a contribution to TGC;
- Twelve and one-half cents (\$0.125) for each source document processed by Sheads which b. is not accompanied by a contribution (hereafter, "non-donor");
- Photocopying of checks and/or documents, ten cents (0.10) per copy; Faxes: \$0.10 per fax C. (not per page);
- đ. The sum of (\$12.50) per clerical hour for the following services:
  - 1. Preparation of packages to client;
  - 2. Special reports requested by TGC;
  - 3. Return check processing:
- One hundred dollars (\$100.00) per month for courier fees, mail pick up from the D. C. f. Main Post Office, and delivery of packages to Federal Express.
- Out-of-pocket expenses (e.g., long distance charges, shipping expenses, postage) will be g. invoiced at cost, with appropriate documentation to support such charges.

h. Imaging and storing check images \$0.10 ea.

### Compliance with Laws and Regulations

At all times during the term of contract with each client, Sheads shall comply with the requirements of all applicable Federal, State and Local Laws and Regulations relating or pertaining to Sheads' performance of its obligations under this Agreement.

#### Quality Controls, Security, Insurance

In performing its obligations under these procedures, Sheads employs a system of internal quality controls, this system of internal controls shall be sufficient to enable Sheads and clients, consultants, auditors to evaluate the quality of Sheads' services, the accuracy of its financial records, and reasonableness of the cost of processing and caging direct mail and telemarketing contributions.

Sheads maintains an "All Risks" insurance policy protecting Sheads and client from damage due to loss or destruction of (by fire, theft, or otherwise) all mail, contributions, computer reports (including inventory) in Sheads' possession or control. Sheads also maintains adequate fidelity bond and blanket crime bond protection.

# Paragraph 7. Procedures for Payment of Sheads' Invoices

Sheads shall submit monthly invoices for the amounts payable by TGC under Paragraph 6 of this Agreement. Such invoices shall set forth: (1) the number of donor and nondonor transactions processed by Sheads for the preceding month; (2) the number of clerical hours devoted to the functions listed under 6(c); and (3) the out-of-pocket charges. TGC agrees to remit payment within 30 days from date of invoice.

# Paragraph 8. Termination Without Cause

- (a) <u>Termination Without Cause.</u> Either party may terminate this Agreement, with or without cause, by providing the other party with thirty (30) days' prior written notice. In that event, this Agreement shall automatically terminate on the thirtieth (30th) day following that other party's receipt of such written notice.
- (b) Event of Default. Upon the occurrence of an event of default, either party may terminate this Agreement by giving thirty (30) days; prior written notice to the other party of its intent to terminate the Agreement. An "event of default" shall occur if either party fails to perform any of its material obligations under this Agreement. If the defaulting party cures the event of default to the satisfaction of the non-defaulting party within the thirty-day notice period, the Agreement shall not terminate, but shall remain in full force and effect. Notwithstanding any other provision in this Agreement, the rights and obligations of the parties relative to performance under this Agreement prior to default shall not be affected by termination. For purposes of this subparagraph, the failure to object to a party's noncompliance with any of the terms or conditions

of this Agreement shall be limited to that particular instance, and shall not prejudice the other party's right to terminate this Agreement for any subsequent noncompliance.

ID:SHEADS AND ASSOCIATES

#### Paragraph 9 Notices

- (a) Unless otherwise required all notices or other communications between TGC and Sheads which are required to be in writing under the terms of this Agreement shall be sent by handdelivery, telecopy, by first-class U.S. mail, postage prepaid, or by Federal Express or comparable next day delivery service.
- (b) Sheads shall submit all invoices and reports to:

The Gregoire Campaign	

TGC shall submit all notices or other communications regarding this Agreement to: (c)

> Sheads & Associates, Ltd. Prince William Square 303 Post Office Road, Bldg. A Waldorf, Maryland 20602

# Paragraph 10. Modifications of Agreement

- All amendments of or modifications or additions to this Agreement must be in writing and (a) signed by authorized representatives of both parties.
- An addendum to contract will be added at a later date for acknowledgments. (a1)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date indicated below.

Ву:	Title	
Date:		
SHEADS AND ASSOCIATES, LTD.		
Ву	Title	
Date: -		



March 29, 2004

607 Fourteenth Street N.W.
Washington, D.C. 20005-2011
PHONE: 202.628.6600
FAX: 202.434.1690
www.perkinscoie.com

#### By electronic mail

Ms. Suemary Trobaugh
Senior Political Finance Specialist
Washington Public Disclosure Commission
711 Capitol Way Rm. 206
P.O. Box 40908
Olympia, WA 98504

**Re: PDC Case No.** 04-400

Dear Ms. Trobaugh:

On behalf of EMILY's List, I write in response to your March 22, 2004 letter requesting additional information concerning Post Office Box 96612, Washington DC 20077-7261. I have set out the questions and corresponding answers *seriatim* below.

1. Please provide written confirmation that EMILY's List is legal box holder or leasor for Post Office Box 96612, Washington, DC 20077-7261.

While Sheads and Associates ("Sheads") applied for the Post Office Box 96612 in connection with its work on mailings to EMILY's List's members, EMILY's List is the post office box customer to which Post Office Box 96612 is assigned. EMILY's List pays the U.S. Postmaster on an annual basis the requisite fee to maintain its assignment to this box. We have attached for your reference a copy of the receipt issued to EMILY's List from the U.S. Postmaster indicating EMILY's List's payment of the applicable fee for 2003, along with copies of the checks issued by EMILY's List to the U.S. Postmaster in payment of this fee, and a copy of the check issued by EMILY's List to the U.S. Postmaster and the corresponding receipt demonstrating payment of this fee for 2004.

2. Please describe whether EMILY's List ever collected any mail received at Post Office Box 96612, Washington, DC 20077-7261 from July 2003 to December 31, 2003.

EMILY's List contracted with Sheads for cashiering and data preparation services. Pursuant to this contract, Sheads received, sorted, and processed the mail received at Post Office Box 96612, including contribution checks, and then forwarded copies of the checks and associated documents to EMILY's List. EMILY's List understands that in some instances, as with People for Christine Gregoire for Governor, campaigns that participated in EMILY's List mailings retained Sheads to receive, sort, process and forward checks directly to them from Post Office Box 96612.

3. Please describe whether EMILY's List ever sorted, collected, or forwarded contribution checks made to the following eleven recommended candidates (listed below) or to EMILY's List Opportunity Fund received at Post Office Box 96612, Washington, DC 20077-7261.

Pursuant to contracts entered into with either EMILY's List or the campaigns directly, Sheads received, processed and sorted all mail received at Post Office Box 96612, including contribution checks. Pursuant to Sheads's contract with EMILY's List, Sheads deposited checks intended for and made payable to EMILY's List or EMILY's List Opportunity Fund into EMILY's List's bank account.

4. Please describe whether Sheads and Associates contracts with the following eleven recommended candidates (listed below) and EMILY's List Opportunity Fund to sort, collect, or forward contribution checks received at Post Office Box 96612, Washington, DC 20077-7261.

For all listed recommended candidates except Ruth Ann Minner, Sheads received, processed, and sorted mail received at Post Office Box 96612 pursuant to its contract with EMILY's List. The Minner Campaign and People for Christine Gregoire for Governor contracted separately with Sheads to receive, process, and sort mail received at Post Office Box 96612 payable to their respective campaigns.

5. Please describe whether Sheads and Associates is a subsidiary or a division of EMILY's List, or is controlled in any fashion by EMILY's List.

Sheads is neither a subsidiary nor a division of EMILY's List, nor is it controlled by EMILY's List.

[13376-0002/DA040840.031]

03/29/04

March 29, 2004 Page 3

As before, please do not hesitate to call us should you have further questions.

Very truly yours,

Brian G. Svoboda

Rebecca H. Gordon

Counsel to EMILY's List

5- M. M

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Information on your Form be updated if it has change of Post Office Box and Cal	1093, Application for Post Office Box or Caller Service, must ed. For regulations pertaining to P.O. boxes, see rules for use ter Service on Form 1093.	\$ 8 94 C	DO Jampi
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**EMILY's List Federal Fund** 

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Check No: 31004

January 14, 2004

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			Total:	824.00

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EMILY's List Federal Fund

Vendor No: USP200

Check No : 28666

January 22, 2003

LY's List Federal Fund		U. S. Postmaster	
Reference	Invoice Date	Invoice Description	

Reference	Invoice Date	Invoice Description		Net Amount Paid
1/22/03BRE PERMIT	01/22/03	US Postmaster		199.00
			Total:	199.00

PM# 19467-1 Boy 96612 AICII5

Pay To The U.S. Postmaster 1400 L Street NW Order Of: Washington, DC 20005

January 13, 2003 Amount: \*\*\* 625.00 625.00 625.00 28619 Net Amount Paid Pm # 19467-1 15-120/540 96612 January 13, 2003 134 AIC 116 Check No: 28619 Total: Federal Operaling Account Involce Description Vendor ผล : USP200 U. S. Postmaster NationsBank US Postmaster \*\*\* SIX HUNDRED TWENTY FIVE AND XX/100 01/13/03 Invaice Date Washington, DC 20005 EMILY's List Føderal Fund 805 15th Street, N.W., Suite 400 Washington, DC 20005 Pay To The U. S. Postmaster Order Of: 1400 L. Street NW EMILY's List Federal Fund BRE1/13/02 Reference

Desperation towards &

# PDC Interview Phil Lloyd March 10, 2004

Page 3 of 21

TROBAUGH: Why don't we start generally and then we can talk about

specifically Emily's List. What was the process in the campaign?

LLOYD: We had a check quest form. We had payroll action forms for when

we hire employees, we have printed applications with vendors that we use so all of the invoices would be routed to me for payment.

So I'm the one who actually pays the bills.

TROBAUGH: Was that any different for coordinating payment for Emily's List

activities?

LLOYD: No, I mean I would have been provided with invoices for payment.

TROBAUGH: Okay. Do you know if the Gregoire campaign entered into an

agreement with Emily's List for these fundraising activities?

LLOYD: I believe that they did, yes.

TROBAUGH: Do you know if there is a contract or a letter of agreement?

LLOYD: I do not know.

TROBAUGH: Okay. Do you know if there is any documentation in the campaign

records about this relationship?

LLOYD: Apart from invoices I do not believe so.

TROBAUGH: Okay. Did you work with Emily's List concerning how contribution

checks would be processed from their fundraising activities?

LLOYD: Yes.

TROBAUGH: Do you want to describe perhaps the discussions that you had with

them, the concerns that you had with them?

LLOYD: Sure. There was need to conduct the fundraising activities with

Emily's List in a manner that was somewhat different than their usual methods. I have some experience also with Federal campaigns, where in Federal campaigns they would act formally as

a conduit for candidate contributions. It was determined I believe

fairly early on, I think this predated my involvement with the

campaign, but they would not be able to conduct the solicitations in a manner that they were accustom to because of Washington State law. And in fact had an opinion of counsel to that extent. So the mechanics of the solicitation were crafted specifically in order to comply with Washington State law.

TROBAUGH:

Okay. And who took the lead on that with the Gregoire campaign?

LLOYD:

I believe, I'm sorry, the lead with what?

TROBAUGH:

With crafting how contribution checks could be processed?

LLOYD:

It was originally I believe Tracy Newman and then ultimately

myself.

TROBAUGH:

Okay. Am I correct that you said that the Gregoire campaign sought

legal counsel for that? Or did Emily's List...

LLOYD:

No, Emily's List sought legal counsel for that.

TROBAUGH:

Okay. And did you work with Sheads and Associates concerning

how contribution checks would be processed?

LLOYD:

Uh-huh.

TROBAUGH:

Can you describe maybe how that?

LLOYD:

Yeah, they were referred to us as a vendor that would be able to conduct additional services that were required and they presented a contract and a fee for services proposal. I worked with the principle at Sheads to negotiate the contract and the terms, to work with their staff on the mechanics of how the contributions would be

reported to us.

TROBAUGH:

Was that Pat Reed of Sheads and Associates?

LLOYD:

Pat's the principle and I had just a few conversations on early with her. There was a woman, Joyce Hill and Christina, I don't recall her TROBAUGH:

Okay. You don't recall the types of things that you would be in

contact with her about?

LLOYD:

No and the reason I say that is that my primary contact was with

Tracy.

TROBAUGH:

Okay.

LLOYD:

I know there was conversations that Nancy was a party to but

looking back I wasn't able to identify which of those conversations

included Nancy and which ones didn't.

TROBAUGH:

Okay. The next two invoices in your packet are from August 8<sup>th</sup> and

August 20<sup>th</sup> from Emily's List. The first one is the \$8,100, the

second one is \$2,625 and it appears to me that these two

payments totaling \$10,725 represent the payment for Gregoire's

portion of the September 5<sup>th</sup> mailer. Is that your understanding?

LLOYD:

Yes.

TROBAUGH:

Okay. So there's no other payments for that mailer?

LLOYD:

Correct.

TROBAUGH:

Okay. Do you know specifically what these payments were for?

LLOYD:

Not beyond what's described in the invoices, no.

TROBAUGH:

Okay. And the invoice describes that it represents the cost of postage, printing, production, administration and various other

associated costs with the mailing but there is no breakout. Does the Gregoire campaign know the breakdown of the costs for the

design, for the printing, for the postage, printing of the membership

list?

LLOYD:

Not to my knowledge.

TROBAUGH:

Okay. Do you know if a portion of this cost represents renting of the

PO Box?

PDC Interview Phil Lloyd

March 10, 2004 Page 11 of 21

LLOYD:

Not to my knowledge.

TROBAUGH:

Okay. Was that ever an issue that you talked to Emily's List about?

Is that Gregoire campaign...

LLOYD:

About the post office box specifically?

TROBAUGH:

Right.

LLOYD:

I can't say that I had conversations with Emily's List about it. There

was conversations but I don't recall who they were with.

TROBAUGH:

Okay.

LLOYD:

For example we hired a vendor to get the mail from the post office

box specifically so that Emily's would not be receiving the

contributions. That was what we hired Sheads to do.

STUTZMAN:

Did Sheads have control of the post office box?

LLOYD:

That was my understanding.

TROBAUGH:

Do you know who legally owned the PO Box?

LLOYD:

I don't.

VANCE:

Does anyone own a post office box or do you...

STUTZMAN:

Or who rented it.

VANCE:

Okay.

TROBAUGH:

Do you know who rented it?

LLOYD:

No. I don't.

TROBAUGH:

Okay. But the Gregoire Campaign, to your knowledge, never rented

it?

LLOYD:

Not to my knowledge.

TROBAUGH:

Okay. Do you know what the total cost to produce and distribute

the September 5<sup>th</sup> mailer was? The overall cost?

LLOYD:

I do not.

TROBAUGH:

Okay. Is it your understanding that the Gregoire campaign paid for

it's pro rata share of that September 5<sup>th</sup> mailer?

# PDC Interview Phil Lloyd

March 10, 2004 Page 19 of 21

LLOYD:

You know I did but I don't remember what they are. There was

some back and forth. I didn't just sign it. I had, if there's a copy of it

I could perhaps be reminded.

TROBAUGH:

Sure.

LLOYD:

It would have been minor, there was no substantive issues...

VANCE:

I have a copy.

TROBAUGH:

Great.

LLOYD:

I could take a quick look at it.

VANCE:

So he's looking at the Sheads contract that was attached to our

February 11<sup>th</sup> letter to the Public Disclosure Commission.

TROBAUGH:

Great.

LLOYD:

Yeah, this was the, this was the contract that I executed I can tell

you. It's not, the contract is specific to the Gregoire campaign so I

don't believe it was their standard contract.

TROBAUGH:

Okay. Did the Gregoire campaign pay Sheads and Associates fair

market value to sort and forward the contributions to your

campaign?

LLOYD:

Yes.

TROBAUGH:

And how do you know that?

LLOYD:

The fees appeared reasonable and they were, in my mind

negotiated at an arms length basis.

TROBAUGH:

Okay. And I wonder if you can take a look at the last two pages of

the information that I gave you. It's a statement that you signed

concerning the contributions received through the Emily's List direct

mail solicitation.

LLOYD:

Yes.

TROBAUGH:

Do you know if this includes the email contributions? The

contributions received due to the email solicitations?

LLOYD:

No it does not.

TROBAUGH:

Okay. Was there any tracking of the contributions received from

those email solicitations?

LLOYD:

Yes. We have a list of, we have a total of what was received from

our website. But we don't have a breakdown of those, what were

solicited from Emily's and what were solicited elsewhere.

TROBAUGH:

Okay.

LLOYD:

Although I believe that the majority were from Emily's.

TROBAUGH:

Okay but there was no cross-reference that you engaged in with

Emily's List so that they could track that?

LLOYD:

There was, I think that's an ongoing process.

TROBAUGH:

Okay. And what is that process?

LLOYD:

I believe its providing lists of contributors who gave by credit card

so they could match it back to their, people who were solicited.

TROBAUGH:

Okay so you are, that's something that you provide to them?

LLOYD:

Yeah. The contributions click all the way through to our website to

make the contribution so there wasn't a practical way to capture the

source of the contributor.

TROBAUGH:

So you just give them the entire list and they can cross-reference

on their own?

LLOYD:

That I think is what we ultimately decided. I don't know where that

process is right now though. A staffer was working on that.

TROBAUGH:

Okay. And by staffer you mean?

LLOYD:

Shawn (inaudible) at our office. Shawn is the database manager for

the Gregoire campaign.

TROBAUGH:

Okay. I'd like to break for a few minutes and Phil and I will confer

and you two can confer and we will probably follow up with some

PDC Interview Tracy Newman March 10, 2004 Page 21 of 32

**NEWMAN:** 

I don't think anyone knows.

TROBAUGH:

Okay. As part of this payment, is it your understanding that a portion of it went to rent the PO Box that the mailer was to be

returned to? Contribution checks would be returned to?

**NEWMAN:** 

I was under the impression that this was paying for everything

associated with the mailing. All costs.

TROBAUGH:

Okay. Did you ever talk about...

**NEWMAN:** 

We never talked specifically about the PO Box.

TROBAUGH:

Okay. Do you know what the total cost for producing and

distributing the mailer is?

**NEWMAN:** 

No I do not.

TROBAUGH:

Okay. The next invoice, dated October 17<sup>th</sup>, it's my understanding that this should represent the total payment for the November 7<sup>th</sup>

mailer. Is that your understanding too?

**NEWMAN:** 

Yes.

TROBAUGH:

Okay. And again, does the Gregoire campaign know the actual breakdown for costs for design, printing, postage, renting the

membership list?

**NEWMAN:** 

No.

TROBAUGH:

And do you know if this specifically, this payment specifically,

includes renting a PO Box for the contribution checks to be sent

back to?

**NEWMAN:** 

I don't specifically know. My assumption was that we were paying

for all costs associated.

TROBAUGH:

Okay. And again do you know the total cost for the mailer?

**NEWMAN:** 

No.

VANCE:

When you say total cost for the mailer, just so I'm clear, you mean

for as it applied to all candidates that are referenced in the mailing.

EXHIBIT IV

Page 21 of 32

TROBAUGH:

All the candidates advertised in the mailer.

VANCE:

But your understanding is you paid your prorated share for that

total cost?

**NEWMAN:** 

Yes. For that formula, the space we used and the time it took to

gather materials to write on the thing.

TROBAUGH:

Okay. Did the Gregoire campaign pay Emily's List for fair market

value for the two mailers?

**NEWMAN:** 

Yes. Well we paid the cost, so I would assume the cost is

equivalent to fair market value because that's what it cost.

TROBAUGH:

Right. Okay.

STUTZMAN:

I think what she's asking is is it your understanding that they billed

you for the actual cost or the fair market value, they did not

discount it.

**NEWMAN:** 

They did not discount it.

TROBAUGH:

Do you know if they received a profit over what they had to spend

for postage and printing and the like?

**NEWMAN:** 

I do not know.

VANCE:

Did you understand that there was their overhead built in the cost

that they were charging you for?

**NFWMAN:** 

Yes. My understanding is we paid for all costs associated with

production of the mail. Staff time, I mean, all of it. My understanding was that all costs associated with actually putting

that together from staff time to printing to production to mailing, that

we paid for every bit of our allocation of that cost.

TROBAUGH:

Okay.

**NEWMAN:** 

Was my understanding.

STUTZMAN:

Do you know if Emily's List is a for profit?

## RECEIVED

MAR 0 2 2004

#### LAW OFFICES OF McNaul Ebel Nawrot Helgren & Vance

A PROFESSIONAL LIMITED LIABILITY COMPANY

TYLER B. ELLRODT BARBARA HALLOWELL MICHAEL D. HELGREN GREGORY J. HOLLON JERRY R. MCNAUL LOUIS F. NAWROT. JR ROBERT D. STEWART ROBERT M. SULKIN CYRUS R. VANCE, JR. PETER M. VIAL MARC O. WINTERS

600 UNIVERSITY STREET, SUITE 2700 SEATTLE, WASHINGTON 98101-3143 FACSIMILE: (206) 624-5128 (206) 467-1816

# Public Disclosure Commission ROBERT C. FARRELL MICHELLE A. GAIL TIMOTHY G. GIACOMETTI

LESLIE J. HAGIN NANCY G. STEPHENSON

OF COUNSEL OF COUNSEL
T. DENNIS GEORGE
ROBERT S. KLEIN
GREGORY C. NARVER
BARBARA H. SCHUKNECHT

March 1, 2004

### VIA FEDERAL EXPRESS<sup>TM</sup>

Ms. Suemary Trobaugh Senior Political Finance Specialist **Public Disclosure Commission** 711 Capitol Way, Room 206 Olympia, WA 98504-0908

> Re: Gregoire for Governor 2004 – Supplemental Request for Documents PDC Case No. 04-400

Dear Ms. Trobaugh:

In response to your letter dated February 24, 2004, attached please find the following:

- Copies of supporting documents that include invoices, receipts, and cancelled checks showing payment to Emily's List. With regard to check number 1009 in the amount of \$8,100, we have not yet located the cancelled check, but are providing the carbon copy. We will forward the original check once we have located it. (Exhibit 1);
- Records showing payments to Sheads & Associates. (Exhibit 2);
- A statement under oath by campaign treasurer Phillip E. Lloyd responsive to your request. (Exhibit 3); and
- Attached in Exhibit 4 are the Emily's List mailings.

Ms. Suemary Trobaugh March 1, 2004 Page 2

In the event we locate additional information responsive to your request, we will let you know promptly. Please do not hesitate to contact me if you have any questions.

Sincerely,

Cyrus R. Vance Jr.

CRV:jlg Enclosures



## EMILY's List

izo Connecticus Alembo, NW Suite iron, Warnington, DC zooso

202.326 1415 www.em: slist.org

August 8, 2003

To:

Christine Gregoire for Sovernor

From:

Susan Finkle **EMILY's List** 

#### INVOICE

This invoice is for the cost of a mailing for the Christine Gregoire for Governor Campaign. The total represents the cost of postage, printing, production, administration and various other items associated with the mailing.

Mailing Cost:

\$8,100,00

The mailing will drop on September 5, 2003 and this invoice must be paid in full by August 15, 2003. Please make you check payable to EMILY's List. If you have any questions regarding this invoice, please contact me at (202) 419-3172.

Susan Finkle Compliance Coordinator

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any candidate or candidate's commit

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EXHIBIT IY
Page 4 of 40.

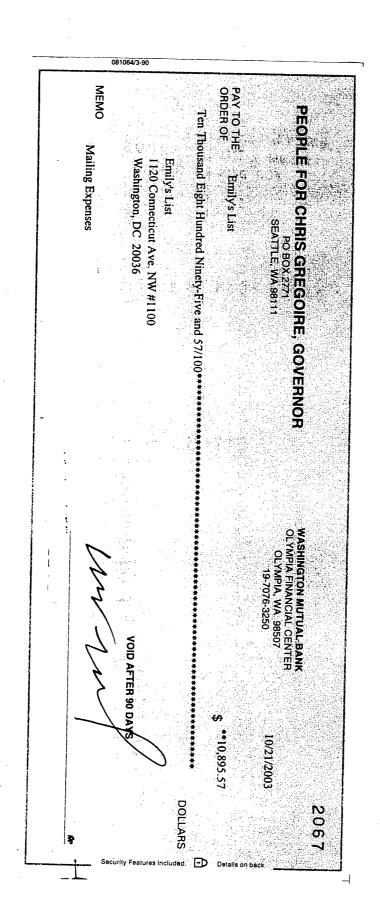
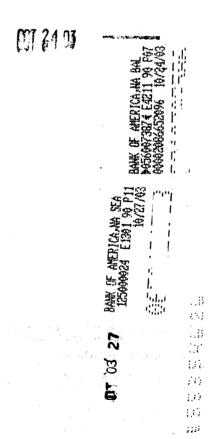


EXHIBIT (7
Page <u>5</u> of **40**-

# EMILYS List Mon-Federal # 2 Account # 2086632096 FOR DEPOSIT ONLY

2034 27523



PEOPLE FOR CHRIS GREGOIRE, GOVERNOR
Emily's List

**2067** 10,895.57

Checking - Washington M Mailing Expenses

SOUND BUSINESS SERVICES - SEATTLE, WA

EXHIBIT(9
Page 7 of 40

GFG 000005

10/21/2003

10,895.57



1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

PATSIMITY ROZIJES,1415
WINDON WWW.emilyellet.org

October 17, 2003

To:

Christine Gregoire for Governor

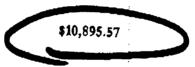
From:

Susan Finkle EMILY's List Place pay and Fed Ex the Check today

INVOICE

This invoice is for the cost of a candidate mailing for the Christine Gregoire for Governor committee. The total represents the cost of postage, princing, production, two follow up emails and various other items associated with the mailing.

Mailing Cost:



The mailing will drop on November 7, 2003 and payment must be received by us in full by October 23, 2003. Please make you check payable to EMILY's List. Please send payment via Federal Express or another overnight delivery service to my attention. If you would like you may use our Federal Express account number 1263-9760-7, internal billing reference 105.

If you have any questions regarding this invoice, please contact me at (202) 419-3172.

Susan Finkle
Compliance Coordinator

EXHIBIT (2 Page **2 of 40** 

# EMILY's List

Tiao Consocicut Avenue, NW Suite tioo Washington, DC 20036

PREPRONE 202.326.1400

ACHINIE 202.326.1400

WWW.emilyzlist.org

facsimile:

To Tree 0.44

To Tracy

Organization Christine Gregoire for Gov

Time

Fax number

206-328-297

From

Number of pages including cover

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If any pages are missing or unreadable, please call

(202)419-3172

Message

Page 9 of 46

Pold for by EMILY's List (www.comitystlet.org) and not authorized by any candidate or candidate's committee.

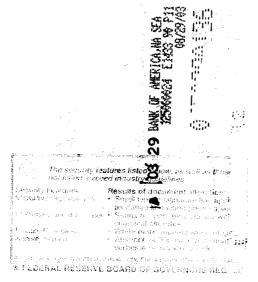
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1120 Connecticut Avenue, NW, Suite 1100, Washington, DC 20036

TELEPHONE 201.326.1400
FACEMILE 202.326.1413
WHMSHIP WWW.SHIST.OF

August 20, 2003

To:

Christine Gregoire for Governor

From:

Susan Finkle EMILY's List

#### INVOICE

This invoice is for the additional cost of a mailing for Christine Gregoire for Governor Campaign. The total represents the additional cost of postage, printing, production and various other items associated with the mailing.

**Mailing Cost:** 

\$2625.00 \$ 24/03

The mailing will drop on September 5, 2003 and this invoice must be paid in full by August 27, 2003. Please make you check payable to EMILY's List. If you have any questions regarding this invoice, please contact mo at (202) 419-3172.

Susan Finkle Compliance Coordinator

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EXHIBIT I

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# EMILY'S List Non-Federal # 2 Account # 2086652096 FOR DEPOSIT ONLY

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PEOPLE FOR CHRIS GREGOIRE, GOVERNOR

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SOUND BUSINESS SERVICES - SEATTLE, WA

# **EMILY's List**

1120 Connecticut Avenue, NW, Suite 1140, Washington, DC 19036

TACHMINE SCC.356.1400
PACHMINE 202.356,1415
WWW.comffyellat.org

October 15, 2003

To: Gregoire for Governor

From: Susan Finkle

**EMILY** 

Re: Invoice for follow up email

#### Invoice

This invoice is for the cost of sending an e-mail to our members urging them to contribute to your campaign. The total represents all costs associated with producing the e-mail.

**Mailing Cost:** 

\$268.50

Please make you check payable to EMILY's List. If you have any questions regarding this invoice, please contact me at (202) 419-3172.

Susan Finkle
Compliance Coordinator

GFG 000014

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Bmilys List 1120 Connecticut Ave. NW #1100 Washington, DC 20036  Donation Web Site Liink	One Hundred Eight and 04/100**	Emilys List	PEOPLE FOR CHRIS GREGOIRE, GOVERNOR PO BOX 2771 SEATTLE WA 98111
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SOUND BUSINESS SERVICES - SEATTLE, WA

Page <u>(7</u> j<u>YO</u>



1120 Connecticus Avenue, NW, Suite 1100, Washington, DC 20016

TELEPHONE 201.315.1480
TABLINIE 201.916.1415
WESTE WWILEMITSTOR

October 15, 2003

To:

Christine Gregoire for Governor

From:

Susan Finkle EMILY's List

#### INVOICE

This invoice is for the cost of placing a hyperlink to your campaign website on the EMILY's List website. The total represents all costs with placing this link on our site for a period of four months, September 2003 through December 2003.

Hyperlink cost per month:

\$27.01

Total cost for four months:

\$108.04

Please make you check payable to EMILY's List. If you have any questions regarding this invoice, please contact me at (202) 419-3172.

Susan Finkle
Compliance Coordinator

EXHIBITIFY 20 of 40

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11/24/2003

Email Alert

PEOPLE FOR CHRIS GREGOIRE, GOVERNOR Emily's List

Checking - Washington M Fundraising

SOUND BUSINESS SERVICES - SEATTLE, WA

EXHIET (1-Page <u>.73</u> of <u>140</u>

#### Philip E. Lloyd

From:

Tracy Newman [tracynewman@nextel.blackberry.net]

Sent:

Tuesday, November 25, 2003 7:56 AM

To:

Phil Lloyd

Subject:

Fw: Gregoire email blast

Please send Emily check to the name written Below

----Original Message----

From: Nancy Eiring <neiring@emilyslist.org>

Date: Tue, 25 Nov 2003 08:48:49

To: Emily Elbert <eelbert@emilyslist.org> Cc: "'tracy@newmanpartners.com'"

<tracy@newmanpartners.com>

Subject: RE: Gregoire email blast

Please send the check to the attention of Susan Finkle.

We actually have been jonesing for the credit card contributions. We have only been getting people who are going to the Gregoire site. Mark from the campaign says it may not be possible.

Nancy Eiring

Deputy Director of Development -- Membership & Marketing EMILY's List (202)419-3185

----Original Message----

From: Emily Elbert

Sent: Monday, November 24, 2003 8:47 PM

To: Nancy Eiring

Cc: 'tracy@newmanpartners.com'
Subject: Gregoire email blast

#### Nancy:

I spoke with Tracy Newman this afternoon - we are set for us to do an email blast to our members as a last push for Gregoire before the freeze. Tracy will send \$600 to EMILY's List, please let us know if there is anyone in particular she needs to send it to. Since it's impossible foryou to make a projection because the contributions are passed through - could Tracy send us their daily web credit card contributions starting on the 3rd (the day the blast goes out, right?) in order for us to cross-check them with our donors who got the email? That would give both sided (us and the campaign) some notion of how much it raised. Of course, if someone got the email and decided to contribute via personal check in the snail mail, then we couldn't track it, but hopefully most of the contributors would donate on line. What do you think?

Sent via BlackBerry (Nextel)

Page 24 of 40

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!	Sheads and Associates 303 Post Office Road Bldg. A Waldorf, MD 20602  Mail Processing	REOPLE FOR CHRIS GREGOIRE, GOVERNOR FOBOX 2771 SEATTLE WA 98111  NOTHE Short Sheads and Associates Four Hundred Ninety-Four and 70/100**********************************
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## FOR DEPOSIT ONLY SHEADS & ASSOCIATES, LTD. NATIONSBANK #3934000092

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EXHIBIT(1)
Page 126 of 40

10/7/2003

PEOPLE FOR CHRIS GREGOIRE, GOVERNOR

Sheads and Associates

Checking - Washington M Mail Processing

SOUND BUSINESS SERVICES - SEATTLE, WA

EXHIET 17 Page <u>27 of 40</u>

GFG 000025

Sheads & Associates, Ltd.

303 Post Office Rd., Bldg. A Waldorf, MD 20602

DATE	INVOICE NO.
9/30/2003	4872

BILL TO

The Grepoire Campaign P O Box 2771 Seattle, WA 98111-2771 AttN: Philip Lloyd

		TERMS	DUE DATE
		Upon Receip	ot 9/30/2003
QTY	DESCRIPTION	RATE	AMOUNT
890	(\$) Remittances Photocopies Clerical Hours: postage, return checks, copying, verifying of check copies to source, Reimburseables: postage, parking,fax calls Courier: Flat Rate Billing Period: 09/01 - 09/30	0.30 0.03 12.50 1.00 100.00	267.00 26.70 100.00 1.00 100.00
		Total	\$494.70

11/1/2003

PEOPLE FOR CHRIS GREGOIRE, GOVERNOR

Sheads and Associates

Checking - Washington M Mail Processing

SOUND BUSINESS SERVICES - SEATTLE, WA

Page 29 ct 40

Sheads & Associates, Ltd.

303 Post Office Rd., Bldg. A Waldorf, MD 20602

DATE	INVOICE NO.
10/31/2003	4919

The Grepoire Campaign
P O Box 2771
Seattle, WA 98111-2771
AttN: Philip Lloyd

Thank you for	your business.	Total	\$353.20
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540	Photocopies Clerical Hours: postage, return checks, copying, verifying of check copies to source, Courier: Flat Rate Billing Period: 10/01 - 10/31	0.03 12.50 100.00	16.20 75.00 100.00
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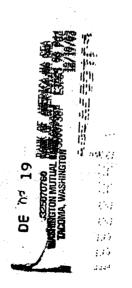
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PEOPLE FOR CHRIS GREGOIRE, GOVERNOR
Sheads and Associates

Checking - Washington M Mail Processing

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SOUND BUSINESS SERVICES - SEATTLE, WA

EXHIBIT (4 Page 33.31 40

GFG 000031

Sheads & Associates, Ltd.

303 Post Office Rd., Bldg. A Waldorf, MD 20602

DATE	INVOICE NO.
11/30/2003	4995

BILL TO			
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AttN: Phil		•	
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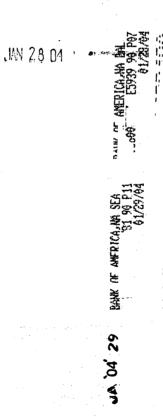
		TERMS	DUE DATE
		Upon Receipt	11/30/2003
QTY	DESCRIPTION	RATE	AMOUNT
1,646	(\$) Remittances	0.30	493.80
	Photocopies	0.03	20.37
	Clerical Hours: postage, return checks, copying, verifying of check copies to source,	12.50	150.00
967	Credit Card Charges	0.40	386.80
	IC Verify setup	157.50	157.50
	Courier: Flat Rate Billing Period: 11/01 - 11/30	100.00	100.00
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PEOPLE FOR CHRIS GREGOIRE, GOVERNOR
Sheads and Associates

1/23/2004

Checking - Washington M Mail Processing

SOUND BUSINESS SERVICES - SEATTLE, WA

EXHIBIT (3) Page 3701 48

#### Sheads & Associates, Ltd.

303 Post Office Rd., Bldg. A Waldorf, MD 20602

DATE	INVOICE NO.
12/31/2003	5006

BILL TO

The Grepoire Campaign

P O Box 2771

Seattle, WA 98111-2771

AttN: Philip Lloyd

		TERMS	DUE DATE
		Upon Receipt	t 12/31/2003
QTY	DESCRIPTION	RATE	AMOUNT
911	(\$) Remittances Photocopies Clerical Hours: postage, return checks, copying, verifying of check copies to source, Credit Card Charges Courier: Flat Rate Billing Period: 12/01 - 12/31	0.30 0.03 12.50 0.40 100.00	273.30 27.33 62.50 12.40 100.00
		Total	\$475.53

# Philip E. Lloyd Treasurer People for Chris Gregoire for Governor P.O. Box 2771 Seattle, Washington 98111

Philip E. Lloyd declares under penalty of perjury under the laws of the State of Washington the following:

- 1. I am the Treasurer for the People for Chris Gregoire for Governor Campaign ("Campaign");
- 2. The Campaign was the recipient of the contributions itemized on Exhibit A to this declaration, a spreadsheet summarizing the contributions received in connection with the EMILY's list mailings;
- 3. I reviewed the checks in question summarized in Exhibit A after their receipt by the Campaign;
- 4. The contribution checks in question were made out directly to the Gregoire campaign.

Dated:

March 1, 2/004/

Philip E. Lloyd

#### Emily's List Direct Mail Donations By Day

Date	# of Checks	# of Contributors	Contributions Total
9.12.03	12	16	1,255.00
9.15.03	24	44	2,510.00
9.16.03	26	33	2,570.00
9.17.03	53	68	4,790.00
9.18.03	162	205	13,645.00
9.19.03	45	57	4,130.00
9.22.03	6	10	1,600.00
9.23.03	120	164	10,760.00
9.24.03	66	77	5,915.00
9.25.03	93	111	9,160.00
9.26.03	83	99	6,450.00
9.27.03	5	5	2,000.00
9.28.03	36	49	2,015.00
9.29.03	78	97	5,780.00
9.30.03	160	193	12,790.00
10.01.03	108	109	9,451.00
10.02.03	28	29	4,825.00
10.03.03	52	55	4,755.00
10.06.03	73	76	5,770.00
10.7.03	45	50	3,906.00
10.08.03	62	70	5,725.00
10.14.03	15	15	1,735.00
10.15.03	43	45	3,320.00
10.17.03	51	52	3,965.00
10.20.03	1	1	250.00
10.22.03	15	15	1,830.00
10.23.03	16	16	2,225.00
10.27.03	24	25	1,370.00
10.28.03	23	23	2,880.00
10.29.03	6	6	430.00
10.31.03	16	16	1,205.00
11.03.03	1	1	500.00
11.04.03	13	13	620.00
11.10.03	1	1	250.00
11.11.03	9	10	775.00
11.12.03	8	9	875.00
11.16.03	18	19	1,435.00
11.17.03	48	49	3,445.00
11.18.03	63	64	5,430.00
11.19.03	123	152	12,460.00
11.20.03	2	2	750.00
11.21.03	21	25	2,025.00
11.25.03	122	128	9,620.00
11.26.03	303	315	23,635.00
12.01.03	197	204	15,090.00
12.03.03	82	91	6,975.00
12.04.03	166	211	13,450.00
12.05.03	70	72	5,340.00
12.08.03	150	156	11,373.00
12.09.03	1	1	250.00
12.10.03	8	10	2,203.00
12.12.03	195	203	16,436.00
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#### LAW OFFICES OF MCNAUL EBEL NAWROT HELGREN & VANCE A PROFESSIONAL LIMITED LIABILITY COMPANY

TYLER R FURODI BARBARA HALLOWELL MICHAEL D. HELGREN GREGORY J. HOLLON JERRY R. MCHAUL LOUIS F. NAWROT, JR. ROBERT D. STEWART CYRUS R. VANCE, JR. PETER M. VIAL MARC O. WINTERS

600 UNIVERSITY STREET, SUITE 2700 SEATTLE, WASHINGTON 98101-3143 FACSIMILE: (206) 624-5128 (206) 467-1816

MICHELLE A. GAIL TIMÓTHY G. GIACOMETTI LESLIE J. HAGIN NANCY G. STEPHENSON

T. DENNIS GEORGE ROBERT S. KLEIN GREGORY C. NARVER BARBARA H. SCHUKNECHY

March 9, 2004

RECEIVED

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Public Disclosure Commission

#### VIA FACSIMILE- 360-753-1112 -

Ms. Suemary Trobaugh Senior Political Finance Specialist Public Disclosure Commission 711 Capitol Way, Room 206 P.O. Box 40908 Olympia, WA 98504-0908

Re:

People for Chris Gregoire, Governor

PDC Case No. 04-400

Dear Ms. Trobaugh:

In response to your supplemental information request dated March 5, 2004, attached are email solicitations sent by Emily's List on behalf of the Gregoire Campaign ("Campaign") in 2003. They are produced as Bates Nos. GFG 000065-72. These are produced as "flat" files. Today no link to the Campaign website exists due to the fundraising freeze.

In response to your further questions, Emily's List's website did not accept contributions to the Campaign. Rather, during the relevant time period, recipients of the email from Emily's List had the opportunity to click onto a link, paid for by the Campaign, to the Campaign website. The Campaign processed donations through the Campaign website.

In response to your further questions, the Campaign processed donations to the Campaign website by credit card using Verisign transaction management software, and were deposited into an account at Bank of America. The Campaign utilized a "delayed capture" feature of the software. Campaign treasurer Phil Lloyd would group the contributions on a regular basis and deposit them into the bank in a single batch. That helped to manage the number of bank and C-3 reports, and made easier the processes related to reconciling and entering the credit cards into the campaign system.

I believe you have already received invoices pertaining to the costs associated for the hyperlink to the Gregoire Campaign. Those may be found at Bates Nos. GFG 000014-18

OΤ

Ms. Suemary Trobaugh March 9, 2004 Page 2

Please feel free to contact me if you have any further questions.

Very truly yours,

Cyrus R. Vance, Jr.

CRV:jlg Enclosures

EXHIBIT (8
Page 2 of 2

REED:

303 Post Office Road, Suite A, Waldorf Maryland 20602.

TROBAUGH:

Okay. And what is your work telephone number?

RFFD:

301-843-2209 extension 25.

TROBAUGH:

Okay. From the documents that you had provided back in February

you gave a brief description of your company and that it was

established back in 1987.

REED:

Right.

TROBAUGH:

Was it established in conjunction with Emily's List?

REED:

No.

TROBAUGH:

Okay. Is Sheads and Associates a subsidiary of Emily's List?

REED:

No we're not.

TROBAUGH:

Okay. Does Sheads have a contract with Emily's List to collect and

process contribution checks?

REED:

Yes we do.

TROBAUGH:

Okay. Is your contract with Emily's List the same as your contract

with the Gregoire campaign?

REED:

With the Gregoire campaign, specifically for the Gregoire

campaign, for Emily's List it involved Emily's List and various

candidates.

TROBAUGH:

Okay.

REED:

But specifically, I should say yes it is really.

TROBAUGH:

Because the process of collecting contributions is the same?

REED:

Right.

TROBAUGH:

Okay. So you provide the same mail processing and caging

services to both?

REED:

Right.

**PDC Interview** 

Pat Reed

April 1, 2004

Page 3 of 10

TROBAUGH:

Okay. Does your contract with Emily's List give you authority or

consent to deposit contribution checks?

REED:

Right. It does.

TROBAUGH:

Okay. Does your contract with Emily's List give you authority or

consent to respond to donors?

REED:

No it doesn't.

TROBAUGH:

Okay. Does your contract with Emily's List give you authority or

consent to return contribution checks to the donor?

REED:

Right. It does.

TROBAUGH:

Okay and you do that under the letterhead and return envelope of

Emily's List?

REED:

Right. We do.

TROBAUGH:

Okay. I think you've already answered this but is Sheads

contracted by all of Emily's List recommended candidates to

process contributions?

REED:

Right. We are.

TROBAUGH:

And I think what you've described if I could maybe clarify this a little

bit is that you contracted separately with the Gregoire campaign and then separately with Emily's List and under Emily's List

contract it specifies that you are also processing the contribution

checks of the other federal candidates?

REED:

Right.

TROBAUGH:

Do you have perhaps another separate contract with other state

candidates like Betty Anne Minner?

REED:

Right, we do.

TROBAUGH:

Okay. Is that the standard process where Emily's List and the

federal candidates are under Emily's List contract whereas state

candidates like Christine Gregoire are carved out and they contract

separately with you?

REED:

Right.

TROBAUGH:

Okay. Okay. Does Sheads have clients outside of Emily's List and

Emily's List recommended candidates?

REED:

Yes we do.

TROBAUGH:

Okay. Can you tell me who your clients were in 2003?

REED:

World Jewish Congress, AARP Foundation, AARP Grass Roots,

People for the Ethical Treatment of Animals, the Interfaith Alliance,

People for the American Way, Democratic Congressional

Campaign Committee, there's quite a few more I don't know if you

want me to go on.

TROBAUGH:

That's great.

REED:

Okay.

TROBAUGH:

So these were all clients of yours in 2003?

REED:

Right.

TROBAUGH:

Okay. Is Emily's List the legal box holder of post office box 96612?

REED:

Right, they are.

TROBAUGH:

Okay. It's my understanding that Sheads and Associates had the

authority and consent from Emily's List to establish a post office

box for them.

REED:

Right.

TROBAUGH:

Okay. So that understanding is correct?

REED:

Right.

TROBAUGH:

Okay. Are you aware of Emily's List having other PO Boxes?

REED:

No I'm not.

TROBAUGH:

Okay. Do you collect their general mail at Post Office Box 96612?

PDC Interview Pat Reed April 1, 2004

Page 5 of 10

REED:

We only collect the direct mail that's coming through there and

that's all that would come through there is direct mail.

TROBAUGH:

And by direct mail you mean the direct fundraising solicitation mail?

REED:

Right.

TROBAUGH:

Okay. Okay. Can you describe how, just where this post office box

is? I understand that sometimes the company's can basically

reside right by the post office box.

REED:

Oh okay. No, this is a main post office for the District of Columbia and it's approximately about 74 miles round trip from where we're located and we have a courier that, when a box is established the client gives us, although the client owns the box they give Sheads and Associates authorization to pick up their mail. Sheads and Associates in turn notifies the post office in writing who is authorized to pick up the mail from our corporation. And no one else is allowed to pick up the mail except for those that are designated on there and they have to show their ID when the go the post office. And our courier goes there at 5:30 every morning Monday through Friday, picks up mail that the post office has separated out that belongs to Sheads and Associates. And that could be all of our clients and their assigned to Sheads and Associates list, I should say, and our courier picks up all of that

mail and brings it back to our office.

TROBAUGH:

Is the courier an employee of Sheads and Associates or is it a sub

contractor?

REED:

No. It's a bonded employee of Sheads and Associates.

TROBAUGH:

Okay.

REED: And we have two or three back up bonded staff that are authorized

by Sheads and Associates to pick up the mail through the

Brentwood post office.

TROBAUGH: Okay. As part of that list of authorized, people who are able to pick

up the mail at that Post Office box, are there Emily's List

employees on that list as well?

REED: No there are not.

TROBAUGH: Okay.

REED: It's only Sheads bonded employees that are on that list.

TROBAUGH: Okay. And am I right that you all have to have like a key to access

that post office box?

REED: No. This is, this is actually bulk mail so there is no key.

TROBAUGH: Okay.

REED: And there's a certain area that it has to be picked up from the

Brentwood postal employees.

TROBAUGH: Okay. Do you know if Emily's List employees ever collected any

mail received at that post office box 96612?

REED: Well they wouldn't be authorized to actually even though they own

the box.

TROBAUGH: Okay.

REED: They wouldn't be able to get through to it. They have to go through

a security station at the Brentwood post office in order to get through there and if they're not on the list, they won't let them

through.

TROBAUGH: Okay. So in order for Emily's List employees to have access to the

post office box they would have to get on your list?

REED: Right.

**PDC Interview** 

Pat Reed

April 1, 2004

Page 7 of 10

TROBAUGH:

Okay. And you have personal knowledge that there is no Emily's

List employee on that, on the authorization list.

REED:

Right there is not.

TROBAUGH:

I'm sorry, I interrupted you Pat.

REED:

Sorry. I probably interrupted you. No there is not.

TROBAUGH:

Okay. Okay. Can you tell me why Emily's List referred you to the

Gregoire campaign?

REED:

Well its not unusual. I didn't see anything unusual with it. It was

similar processing. There had been several clients in the past, not just with Emily's List that have requested, they're out of state, and

they've requested that their deposits be Fed Ex'd directly to them.

TROBAUGH:

Okay. To enter into a separate contact for another entity that's

perhaps coordinated with fundraising activity?

REED:

Right.

TROBAUGH:

Okay. Perhaps the Democratic National Committee does that kind

of activity as well. That's my understanding anyway is that they do

something similar.

KERMAN:

This is Leslie. I don't think that's correct.

TROBAUGH:

Okay. So when Emily's List referred you to the Gregoire campaign

you saw it as just a standard step that needs to occur with some

state candidates and it was nothing out of the usual?

REED:

Right.

TROBAUGH:

Okay. And the Gregoire campaign signed a standard contract with

you?

REED:

Right. They did.

TROBAUGH:

Okay. So there wasn't any direction from Emily's List on what your

contract should contain?

REED:

No. None whatsoever.

**PDC Interview** 

**Pat Reed** 

April 1, 2004 Page 9 of 10

TROBAUGH:

Okay. Okay. Does your contract with the Gregoire campaign give

you authority or consent to deposit contribution checks?

REED:

No it doesn't.

TROBAUGH:

Okay. Does your contract with the Gregoire campaign give you

authority or consent to return contribution checks to the donors?

REED:

No it doesn't.

TROBAUGH:

Okay. And does your contract with the Gregoire campaign give you

authority or consent to respond to donors?

REED:

No it doesn't.

TROBAUGH:

Okay. So it's a little different from your contract with Emily's List it

sounds like.

REED:

Right.

TROBAUGH:

Okay. Okay. The rates that you charge the Gregoire campaign, are

these the same rates that you charge Emily's List?

REED:

Right it is. Involving candidates.

TROBAUGH:

Okay.

REED:

And a little bit more involved than just the regular Emily's List checks. You know, checks that go directly to Emily's List. That's

straight cashiering but for candidates, there could be several candidates on one sheet and several checks coming in individualize on each one. So that's a lot more detailed work

involved there.

TROBAUGH:

And they're charged accordingly.

REED:

Right.

TROBAUGH:

Okay. So they are charged at your usual and customary rate?

REED:

Right.

TROBAUGH:

And it's the same rate that you would charge other candidates.

REED:

That's correct.



April 6, 2004

607 Fourteenth Street N.W. Washington, D.C. 20005-2011 PHONE: 202.628.6600 FAX: 202.434.1690 www.perkinscoie.com

#### By Electronic Mail

Ms. Suemary Trobaugh
Senior Political Finance Specialist
Washington Public Disclosure Commission
711 Capitol Way Rm. 206
P.O. Box 40908
Olympia, WA 98504

Re: PDC Case No. 04-400

Dear Ms. Trobaugh:

On behalf of EMILY's List, we write in response to your March 30, 2004 letter requesting clarification concerning various issues. Please know that we are continuing to gather responsive information to your April 2 request, and will respond to that request as soon as possible.

#### Post office box

1. Please describe what type of mail is received at EMILY's List's Post Office Box 96612, Washington DC 20077-7261 (e.g., responses to fundraising mailers, invoices from vendors, general correspondence, etc.).

The majority of the mail received at Post Office Box 96612 comprises responses to fundraising appeals supporting EMILY's List and its recommended candidates. Occasionally EMILY's List receives at Post Office Box 96612 unsolicited correspondence from its members.

2. Please describe whether EMILY's List has a different post office box(es) for general mail, and provide its address(es).

EMILY's List has no other post office box. All other mail it receives is delivered to its street address, at 1120 Connecticut Avenue, N.W., Suite 1100, Washington, DC 20036.

April 6, 2004 Page 2

3. Please describe who has keys to EMILY's List's Post Office Box 96612, Washington DC 20077-7261.

Upon information and belief, employees of Sheads and Associates ("Sheads") are the only individuals with keys to Post Office Box 96612.

4. If EMILY's List has keys to Post Office Box 96612, Washington DC 20077-7261, please state whether any EMILY's List employee ever collected any mail received at that post office box from July 2003 to December 31, 2003.

EMILY's List respectfully refers the Commission to its response to Question 3 above.

Please describe whether Sheads and Associates have the only keys to Post Office Box 96612, Washington DC 20077-7261. Please state whether Sheads and Associates have exclusive control of Post Office Box 96612, Washington DC 20077-7261.

EMILY's List respectfully refers the Commission to its response to Question 3 above.

6. On March 22, 2004, Joseph Solmonese stated that the Gregoire campaign paid \$1.249.42 for four e-mail solicitations. Please provide a description and a breakdown of what this payment represents, including a breakout of sub-contracted work.

EMILY's List charges \$.03 per recipient for each email it sends out supporting recommended candidates, which represents the actual cost to EMILY's List. The amount indicated represents costs, at \$.03 per email, EMILY's List contemporaneously attributed to the Gregoire campaign for its share of the four email distributions in amounts of \$130.33, \$268.50, \$212.49, and \$638.10.

7. On November 24, 2003, the Gregoire campaign paid \$600 to EMILY's List, described in PDC reports as "mailing and associated costs." Please provide a description and a breakdown of what this payment represents, including a breakout of sub-contracted work.

April 6, 2004 Page 3

This amount represents EMILY's List's charge to the Gregoire campaign for its fees for postage and mailing list rental related to an invitation that EMILY's List mailed for the Gregoire campaign.

8. The Gregoire campaign was billed \$100 as 'Administrative' fee. Please provide a description and a breakdown of what this payment represents. Please include a breakout of stafftime, if applicable.

EMILY's List imposed an administrative fee in order to capture costs that were not specifically identified at the time the invoice was issued, with the expectation that some such costs might be identified over time.

9. On March 22, 2004, Mr. Solmonese stated that the Gregoire campaign paid \$29.77 for the value of the post office box. Please provide any documentation that supports this expense.

EMILY's List based this calculation on the Gregoire campaign's pro rata share of the fee EMILY's List paid for the post office box. EMILY's List produced the documentation supporting this fee on March 29 in its response to the Commission's March 22 letter. At the time EMILY's List made this calculation, it believed the \$199 check submitted to the U.S. Postmaster, dated January 22, 2003, was for payment of EMILY's List's BRE Permit. Accordingly, this \$199 payment was not included in EMILY's List's calculation. In reviewing its records in response to this request, EMILY's List has concluded the \$199 payment should have been included in the calculation of fees paid for the post office box. The Gregoire campaign therefore actually paid \$34.88 as its pro rata share of the rental of the post office box.

10. The Gregoire campaign paid \$1,306.94 to use EMILY's List's mailing list. Please provide a description of how many solicitations this payment resulted in. Please provide any documentation that supports this expense.

The payments entitled the Gregoire campaign to use EMILY's List's mailing list for the September 5 and November 7 mailings and for the email solicitations associated with those mailings.

11. Please describe how many solicitations a candidate is entitled to per payment to rent EMILY's List mailing list. Please provide any documentation that supports this policy.

April 6, 2004 Page 4

EMILY's List respectfully refers the Commission to its response to Question 10 above for the answer to this question.

12. How many addresses received September 5<sup>th</sup> fundraising mailer (please include the number of recipients of packet A and packet B).

EMILY's List mailed packet A to 19,241 recipients. EMILY's List mailed packet B to 30,724 recipients.

13. How many addresses received November 7<sup>th</sup> fundraising mailer (please include the number of recipients of packet A and packet B).

EMILY's List mailed packet A to 21,281 recipients. EMILY's List mailed packet B to 34,262 recipients.

As always, please do not hesitate to call us should you have further questions.

Very truly yours,

Brian G. Svoboda

Rebecca H. Gordon

Counsel to EMILY's List



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April 7, 2004

#### By Electronic Mail

Ms. Suemary Trobaugh Senior Political Finance Specialist Washington Public Disclosure Commission 711 Capitol Way Rm. 206 P.O. Box 40908 Olympia, WA 98504

**Re: PDC** Case No. 04-400

Dear Ms. Trobaugh:

On behalf of EMILY's List, we write in response to your April 2, 2004 letter requesting clarification concerning various issues.

1. On March 22, 2004, Joseph Solmonese provided a breakdown of sub-contracted work paid for by the Gregoire Campaign through its payments to EMILY's List. Please describe whether the sub-vendors bills that were passed on to the Gregoire Campaign included any mark-up.

EMILY's List did not mark up the cost of services provided by sub-vendors.

2. Please describe how EMILY's List kept track of how much time staff members worked the Gregoire Campaign fundraising solicitations.

EMILY's List does not typically track the staff time spent in connection with its candidate mailings. Staff working on the mailings typically have other responsibilities that do not necessarily relate to the mailings. In addition, staff members typically undertake activities that involve all of the candidates in a particular mailing rather than just one. As a result, it is not possible to identify clearly each staffer's time that is uniquely related either to a particular candidate or to a particular candidate mailing. Accordingly, EMILY's List did not track staff time in connection with the mailings in support of the Gregoire Campaign.

April 7, 2004 Page 2

3. Did EMILY's List bill the Gregoire Campaign for staff time associated with coordinating the fundraising solicitations?

EMILY's List respectfully refers the Commission to its answer to Question 2 above. EMILY's List does not typically bill to candidates the staff time spent in connection with its candidate mailings. It did not bill the Gregoire Campaign for staff time in connection with the mailings supporting the Gregoire Campaign.

4. What is the value of EMILY's List staff time?

EMILY's List respectfully refers the Commission to its answers to Questions 2 and 3 above.

As always, please do not hesitate to call us should you have further questions.

Very truly yours,

Brian G. Svotoda Rebecca H. Gordon

Counsel to EMILY's List



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May 10, 2004

#### By Electronic Mail

Ms. Suemary Trobaugh
Senior Political Finance Specialist
Washington Public Disclosure Commission
711 Capitol Way Rm. 206
P.O. Box 40908
Olympia, WA 98504

Re: PDC Case No. 04-400

Dear Ms. Trobaugh:

As we discussed with you last week, we are attaching to this letter a signed copy of a declaration by Joseph Solmonese addressing the issues you raised with us, as counsel to EMILY's List, by e-mail on May 4. As Mr. Solmonese is travelling out of town today, it is not possible for us to send to you an original, executed and notarized statement today. However, in our shared interest of expediting these proceedings, we are providing you with a signed copy, and will forward the notarized original as soon as we receive it.

As always, please do not hesitate to call us should you have further questions.

Very truly yours,

Brian G. Svoboda

Rebecca H. Gordon

Counsel to EMILY's List

EMILY'S LIST

202 326 1415 P.02

#### BEFORE THE WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION

Case No. 04-400

#### Joseph Solmonese

#### SUPPLEMENT TO MARCH 23, 2004 INTERROGATORY RESPONSES

- I, Joseph Solmonese, do supplement my statement and responses of March 23, 2004 by submitting the statements below.
  - EMILY's List's records indicate that the September 5, 2003 mailing supporting Christine Gregoire was sent to 49,028 recipients, and that 283 of these recipients had not previously made contributions directly to EMILY's List.
  - 2) EMILY's List's records indicate that the November 7, 2003 mailing supporting Christine Gregoire was sent to 55,529 recipients, and that 404 of these recipients had not previously made contributions directly to EMILY's List.
  - 3) EMILY's List does not generally track or record staff time spent in connection with its mailings or e-mail solicitations. EMILY's List staff typically have other responsibilities that do not necessarily relate to e-mail communications. As a result, it is not possible to identify precisely that portion of an employee's time that is related to a particular c-mail communication.

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EMILY'S LIST

202 326 1415 P.03

4) EMILY's List did not track or record staff time spent developing and executing the four e-mail solicitations EMILY's List sent supporting Christine Gregoire. The e-mails were prepared, in large part, using content and copy already developed for the candidate mailings. Based on the annual salary of EMILY's List's web manager, who was principally responsible for these solicitations, and based on the proportion of her compensated time that we believe to have been devoted to these solicitations and the portion of the e-mails allocable to the Gregoire campaign, it is my belief that the value of employee time spent in connections with these solicitations would not exceed an aggregate of \$150.

Joseph Solmonesc

DISTRICT OF COLUMBIA

SUBSCRIBED AND SWORN to before me this \_\_ day of May, 2004.

Notary Public

My Commission Expires:

[/DA041280021.DOC]

-2-

5/10/04

TOTAL P.03

Page 3 of 3